FREIGHT TRAFFIC ISSUE

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Class rates anti-economic?
A **shipper's view**—and
a reply . . . . . p. 34

September 24, 1962

# RAILWAY AGE WEEKLY

**Why shippers like big freight cars** p. 13

**How the T&P speeds its LCL traffic** p. 16

**Will diesels power future reefers?** p. 28

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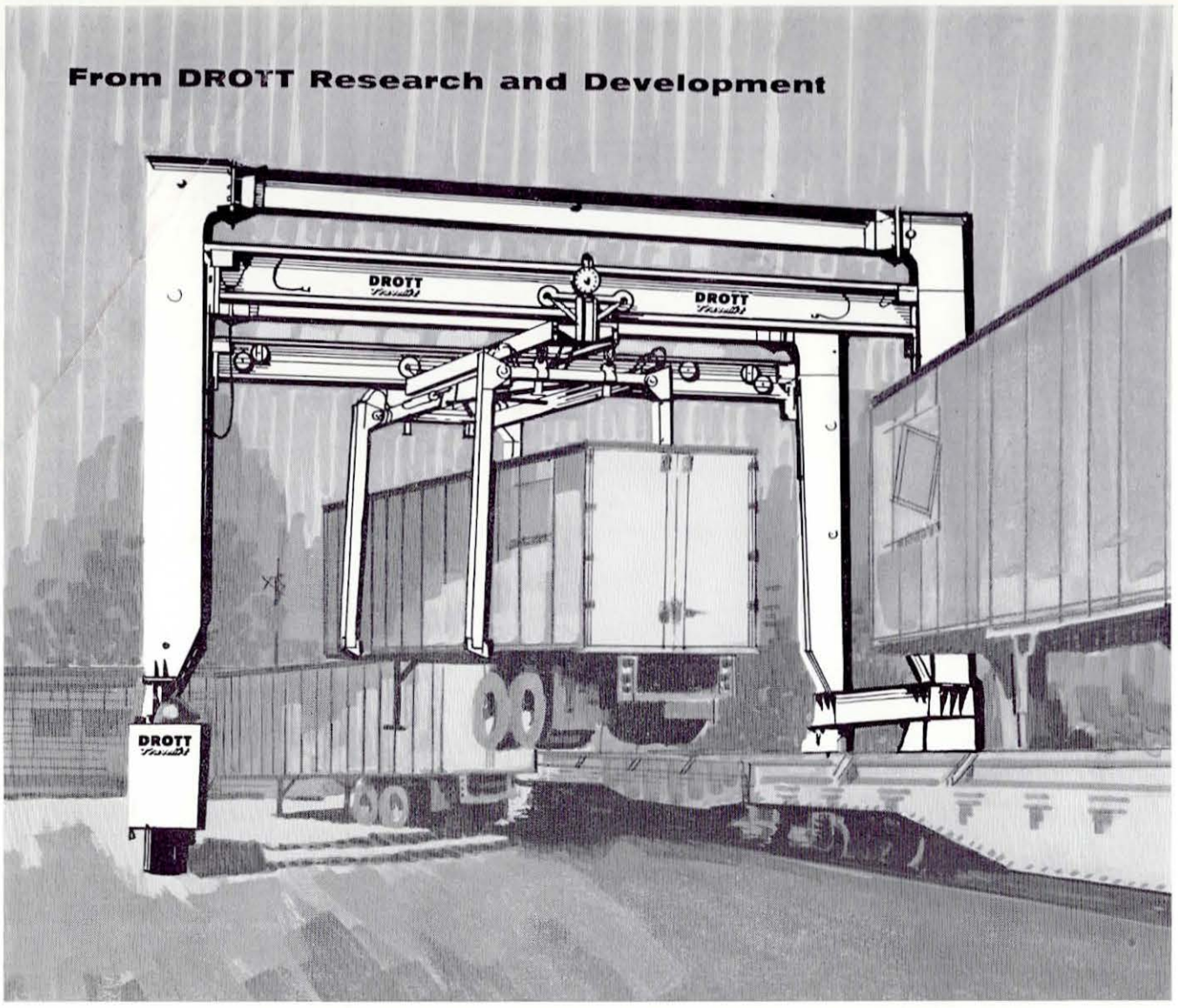


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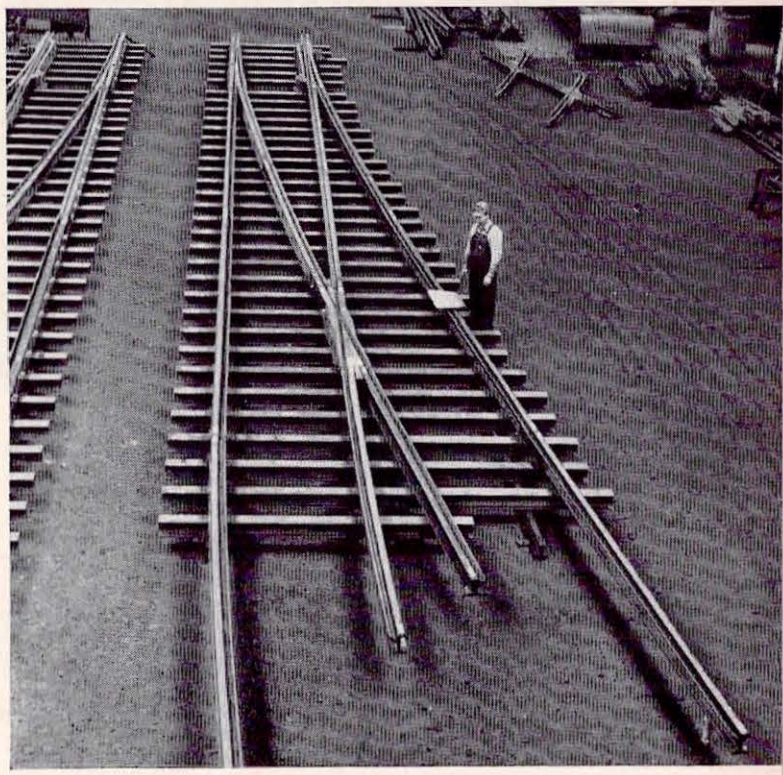

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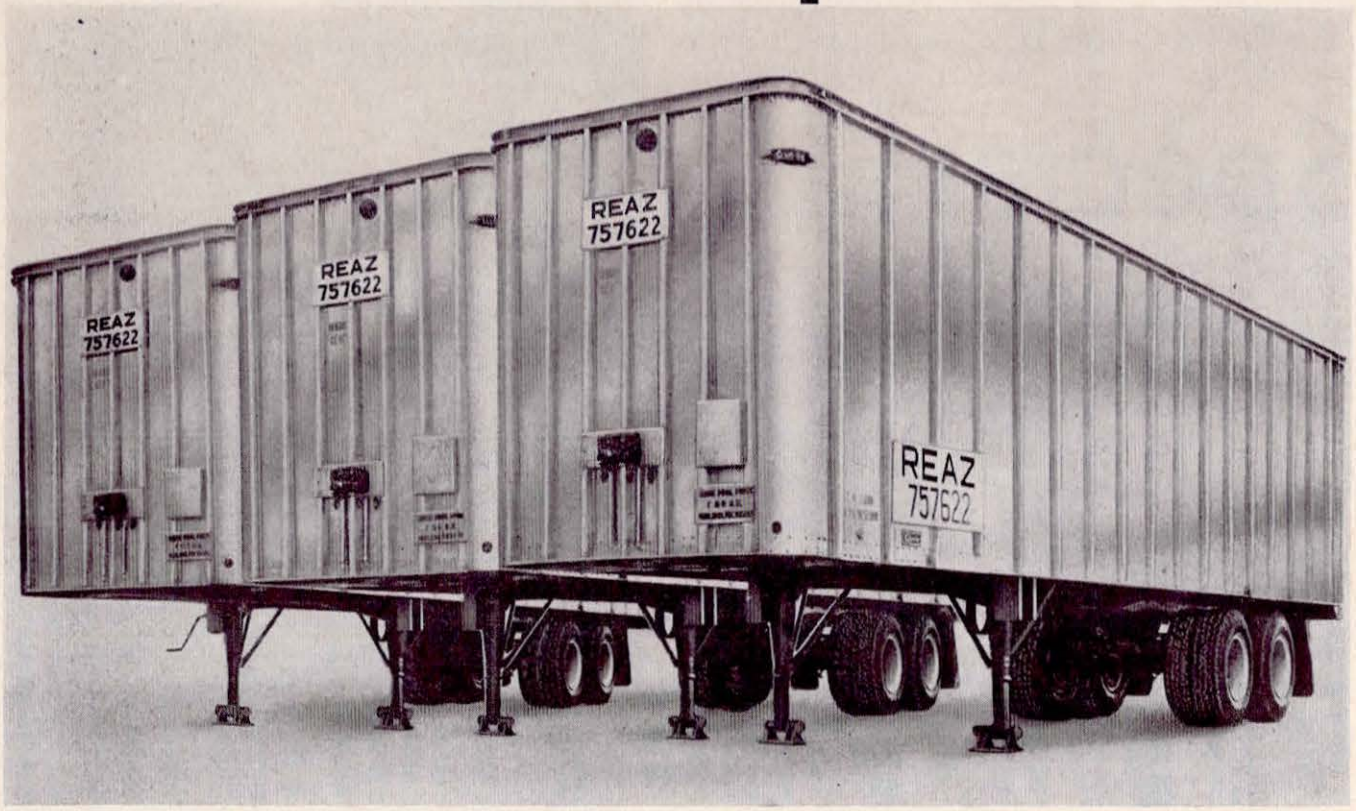


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RAILWAY AGE

WEEK AT A GLANCE

September 24, 1962 • Vol. 153, No. 13

## ORT dispute moves toward arbitration

As the C&NW and the union tried to agree on issues to be arbitrated, new support developed for strengthening emergency-board powers. .....p. 9

## Traffic managers say bigger cars would help

Most respondents to this month's Traffic Poll think high-capacity cars will help both shippers and railroads—but many cite the continuing need for standard-size cars. .....p.13

## How the T&P speeds its LCL traffic

The "tOwKart Bin Truck" is the key to a new freight-handling system that reduces manual handling to a minimum and speeds the flow of merchandise. .....p.16

## NITL sees enormous scope in costing case

The League views the ICC's cost-evidence case as being of sufficient importance to merit a conference of all interested parties prior to submission of presentations. .....p.19

## Will diesels power future reefers?

To insure the future of diesel refrigeration systems, auxiliary components must attain higher reliability, says PFE's chief engineer. .....p.28

## Class rates—A shipper's view

A recent article on class rates has been subjected to sharp but constructive criticism by the traffic vice president of the Koppers Co. .....p.34

## Mechanical meetings spotlight need for legislative reforms

The changing political climate can be as important to railroads as technological change, the Coordinated Mechanical Associations were told last week. .....p.58

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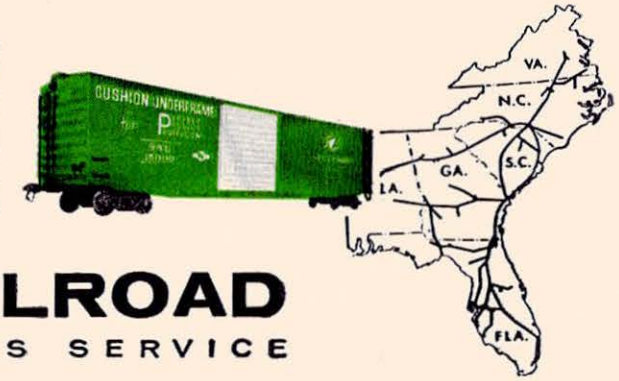


**SEABOARD AIR LINE RAILROAD**

THE ROUTE OF COURTEOUS SERVICE

# WEEK AT A GLANCE

## Special cars: Can they pay their way?

Investment in specially-equipped cars can be justified only if maximum utilization is achieved, the Pacific Coast Shippers Advisory Board was told. .....p.64

## Southeast shippers back single agency

A committee's recommendation followed a survey, made public last week, of individual railroad attitudes toward LCL traffic. .....p.67

## The Action Page—Don't let up pinching now

Getting President Kennedy's transportation program enacted is like moving a heavily loaded car with a pinchbar. It takes time—and effort. .....p.70

*Short and Significant*

## Class I railroad employment . . .

totaled 710,632 in mid-August—a decrease of 0.16% below July and a decrease of 3.06% below the year-ago figure, according to the ICC's Bureau of Transport Economics and Statistics.

## Consulting engineers have been selected . . .

by the Delaware River Port Authority to prepare designs for the proposed Philadelphia-Kirkwood, N.J., high-speed transit line. Estimated cost of the project: $54 million.

## A Presidential emergency board . . .

has been created to investigate a wage and work-rules dispute between REA Express and those of its employees represented by the International Brotherhood of Teamsters.

### Current Statistics

| | |
|---|---|
| **Operating revenues** | |
| 6 mos., 1962 | $4,703,650,132 |
| 6 mos., 1961 | 4,417,470,000 |
| **Operating expenses** | |
| 6 mos., 1962 | 3,713,490,394 |
| 6 mos., 1961 | 3,594,534,970 |
| **Taxes** | |
| 6 mos., 1962 | 531,960,577 |
| 6 mos., 1961 | 482,452,262 |
| **Net railway operating income** | |
| 6 mos., 1962 | 265,495,659 |
| 6 mos., 1961 | 145,845,950 |
| **Net income estimated** | |
| 6 mos., 1962 | 171,000,000 |
| 6 mos., 1961 | 62,000,000 |
| **Carloadings revenue freight** | |
| 37 wks., 1962 | 20,378,890 |
| 37 wks., 1961 | 19,841,268 |
| **Freight cars on order** | |
| Sept. 1, 1962 | 12,429 |
| Sept. 1, 1961 | 9,690 |
| **Freight cars delivered** | |
| 8 mos., 1962 | 26,706 |
| 8 mos., 1961 | 22,439 |
| **Serviceable cars** | |
| Aug. 1, 1962 | 1,444,431 |
| Aug. 1, 1961 | 1,476,781 |
| **Cars awaiting repairs** | |
| Aug. 1, 1962 | 132,811 |
| Aug. 1, 1961 | 151,500 |

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GENERAL ELECTRIC DIESELS: PROVED VALUES

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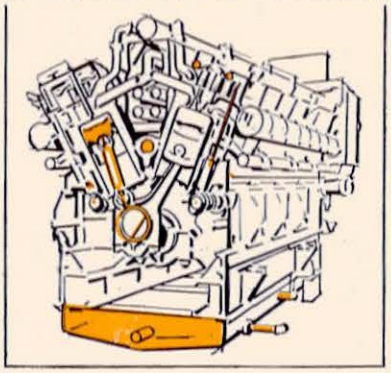

# BUILT-IN LUBE LINES LAST A LIFETIME

In the U25B's G-E diesel engine, problems with internal lubricating oil lines are eliminated and time-consuming lube line connecting and disconnecting has become a thing of the past.

Lube oil connections can't loosen. Essential lines can't break. They can't be left out during maintenance.

The reason: G.E.'s advanced-design diesel has all internal oil connections *cast-in* or *drilled*. Except for the intake to the lube oil pump, which is welded to the oil pan, there isn't a single pipe inside the engine.

This simple, effective, maintenance-free method solves lube line problems for the life of the engine . . . and assures ample oil for all lubricating and cooling needs. In piston cooling, for example, oil is supplied through grooves in the main bearing, drilling in the crankshaft, grooves in the rod bearings and drilled passages in the connecting rods. From here, it enters a chamber beneath the piston crown and is continuously agitated to absorb and carry away heat.

For more information about the U25B and today's most modern diesel engine, contact your General Electric Transportation Sales Engineer or write for the G-E Diesel Engine Book, Locomotive Section, General Electric Company, Erie, Pa. 117-13

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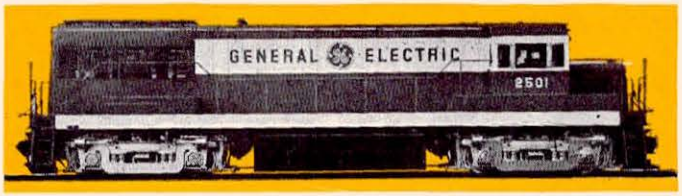


## Senator Kefauver Stars At New York Labor Rally

Railway labor leaders—and a U. S. senator—unleashed a slashing attack on management last week at an RLEA-sponsored rally in New York.

It was a combination union meeting, political rally and Fourth of July town meeting, with audience reaction that varied from apathetic to enthusiastic.

Speakers had twin themes: work rules and mergers.

Loudest applause was reserved for Sen. Estes Kefauver, favorite son of the unions in their fight to stop mergers through legislation.

The Tennessee Democrat—like Clerks' President George M. Harrison, who preceded him at the rostrum—lashed out at management for its "mania" for merger.

RLEA, meanwhile, issued a statement telling why it opposes the PRR-NYC merger and adding:

"Merger for the railroads is suicide. It must lead to nationalization. That, too, is monopoly and we oppose it, but if there is only a choice between monopolies, one for the benefit of bankers and one for all of us, the choice is clear."

BLF&E President H. E. Gilbert hammered the carriers on the work-rule issue—and the PRC report.

That report, he charged, "should be looked upon for what it really is—the forewarning that binding arbitration is eating away at both the collective bargaining process and the right to exercise economic strength in securing social justice . . . [The railroads] are still in an ivory tower, sitting on top of the PRC report and waiting for us to sign it. I am one chief executive who won't sign it . . . We are not afraid to negotiate our differences, but the carriers are not going to shove this report down our throats."

# ORT Dispute Moves Toward Arbitration

► **The Story at a Glance: "Arbitration" was the big word in the dictionary of rail labor-management relations last week. Chicago & North Western and the Telegraphers were warily circling toward possible arbitration of certain aspects of their job stabilization dispute. And the president of the Association of Western Railways—eyeing both the C&NW strike and the work-rules dispute—said western roads are ready to back legislation making emergency board recommendations binding on both railroads and unions.**

President Kennedy stepped into the C&NW-ORT strike for the second time last week, with a request that both sides submit still-disputed issues to binding determination by a three-man panel of "qualified persons."

He won agreement—to a degree. Company and union, however, declared or implied reservations which left arbitration an unsure thing.

North Western noted that its acceptance "can only be implemented by the parties agreeing upon the precise questions to be submitted to the arbitrators."

The ORT, meanwhile, emphasized at length its preference for continued negotiations and mediation as the best way to promote a quick settlement. But, the union's reply to the President concluded, "in any event the Order of Railroad Telegraphers accepts your request."

Discussions of the issues to be submitted to arbitrators occupied both sides late last week. Over the talks hung the hardly-concealed irritation of the White House that the walkout has lasted since Aug. 30.

The President noted that "substantial agreement" had been reached on most issues, and "only three or four disputed points" remain to be settled. In such a situation, he said, "there is plainly no excuse for a continued stalemate." Differences limited to interpretation and application of an emergency board's report, he declared, "cannot justify the continuing high price the people of the Midwest are being required to pay for this dispute."

The ORT's strike—coupled with the still-developing work rules fight—prompted AWR President Clair M. Roddewig to declare that western roads "would welcome legislation that will make the findings of Presidential emergency boards binding on both unions and railroads."

To all practical purposes, he said, such recommendations are already binding on the carriers—because of the force of public opinion. But, he charged, the unions "use emergency board findings as a floor from which to bargain upward."

If the carriers flouted board recommendations "and thereby precipitated a strike," Mr. Roddewig added, "there would be all kinds of repercussions from the unions, shippers, politicians and, of course, the public. The dispute between the North Western and the Telegraphers illustrates very well the fact that no such repercussions follow when [the unions] flout an emergency board's recommendations and precipitate a strike."

Mr. Roddewig also views the work-rules battle as a severe test of the Railway Labor Act. Eventually, he said, this dispute, too, "will wind up before an emergency board . . . Government is already involved in rail labor disputes and is going to be more involved in the future. They might just as well make the recommendations binding on both parties."

Meanwhile, the U. S. Court of Appeals in Chicago scheduled oral arguments in the work-rules case for Oct. 22.

Both carriers and operating unions are taking appeals from separate orders of the District Court—one order dismissing the organizations' suit to bar the railroads from putting changes into effect and the other holding off such changes while the unions' appeal is pending.

Initial briefs have been filed by both sides. Replies are due by Oct. 3.

## WATCHING WASHINGTON WITH WALTER TAFT

• **BEST SELLER** among ICC staff reports is out again. It's statement No. 6206, the latest annual issue of the Bureau of Transport Economics and Statistics' report on salaries and other compensation received by railroad officers. It shows that the average annual compensation of officers in the $25,000-or-more bracket amounted to $40,117 in 1961—down $800 from the comparable 1960 figure of $40,917. The $25,000-per-year floor was used by the Bureau for the first time in its report for 1960. It supplanted $20,000, a change which had the effect of eliminating two-fifths of the officers formerly covered. The last report on the $20,000-or-more basis showed 1,012 officers in that bracket. The present report shows 607 in the $25,000-or-more category.

**THESE FIGURES** include salaries and other compensation, such as payments under incentive plans, etc. Those additional payments totaled $757,145 in 1961, i.e., aggregate compensation of the $25,000-or-more group amounted to $24,350,787 while their salaries totaled $23,593,642.

**NEARLY HALF** of the latter—$11,718,541 or 49.66%—went to 393 officers paid an average of less than $40,000 a year. The largest share—$6,630,731 or 28.1%—went to 201 of these officers who were in the $30,000-to-$39,999 bracket. The 192 in the $25,000-to-$29,999 bracket got a total of $5,087,810 or 21.56%.

**ONLY THIRTEEN** of the top executives got $100,000 or more. Only 12 1961 salaries were on that basis, other compensation having pushed the 13th into that bracket. This $100,000-or-more group got about $1½ million—6.24% of the $25,000-or-more group's aggregate salary.

**TOP COMPENSATION** in 1961 was $147,675, which included the year's highest salary of $145,000, plus additional compensation of $2,675. This was nearly $10,000 less than the 1960 top of $157,132, which included $40,000 received under an incentive compensation plan. The top 1960 salary was $140,000.

• **MERGER OF EASTERN MERGER CASES** will be considered by the ICC. The Commission will hear oral argument on this idea Oct. 23 at its Washington headquarters. To that end, it has broadened the scope of the oral argument phase of the case involving Chesapeake & Ohio's application for authority to acquire control of Baltimore & Ohio.

**THE COMMISSION'S FORMAL NOTICE** was issued in the C&O-B&O case, but it went on to say the argument could embrace the question of whether that case should be consolidated with the Pennsylvania-New York Central and Norfolk & Western-Nickel Plate-Wabash cases. Parties to those cases will be permitted to present argument on the consolidation question, but argument on merits of the C&O application will be limited to parties in that case. Commission approval of the B&O-C&O proposal has been recommended in a proposed report by Examiner John L. Bradford.

• **SUPPORT FOR THE RAILROADS** in the "featherbedding" fight has come from the U.S. Chamber of Commerce. The Presidential Railroad Commission has pointed the way, the Chamber says, adding "it is inconceivable that we will pass up this opportunity to close the gap between technological advances and work and compensation rules."

# UP Enters SP-RI Talks

Union Pacific announced last week it has entered the Southern Pacific-Rock Island merger study.

Most observers discounted the possibility of a three-way merger. Speculation centered on the more likely chance for a UP-SP joint ownership of RI.

All three roads declined comment beyond the terse, two-sentence announcement which brought UP into the picture. The statement said merely that "Southern Pacific's study of the possibility of a merger of the SP and RI led to recognition of an interest on the part of Union Pacific and indicated the desirability of further studies on a joint basis. These are now under way and Rock Island management is cooperating with SP and UP in these studies."

UP and SP have a previous common link—in the struggle for control of Western Pacific being waged by SP and Santa Fe. Union Pacific has backed SP's bid.

# Transit-Bill Delay Could Prove Costly

Setback for the urban-transit bill came when Senate debate on the measure was interrupted to send it to the Senate Commerce Committee for a week's consideration. That committee had not previously considered the bill, which got to the Senate floor with clearance only from the Committee on Banking and Currency.

The bill would authorize $500 million in federal loans and grants to aid in financing urban transit facilities.

While the Commerce Committee was committed to returning the bill to the Senate calendar by Sept. 24, the week's delay could be costly at this late stage of the Congressional session. Moreover, the National Industrial Traffic League has registered its opposition—because "commuter service is essentially a matter of local concern and all problems in connection therewith should be solved at the local level without any federal interference or assistance."

## Dividends Declared

**BANGOR & AROOSTOOK.**—10¢, quarterly, payable Oct. 1 to holders of record Sept. 17.

**BEECH CREEK.**—50¢, quarterly, payable Oct. 1 to holders of record Sept. 14.

**MISSOURI PACIFIC.**—Class A common, 60¢, quarterly, payable Oct. 1 to holders of record Sept. 19.

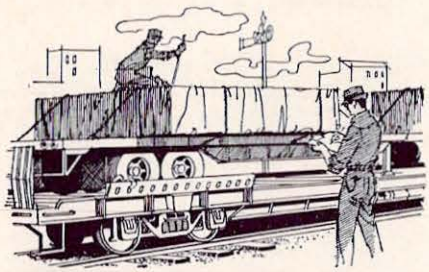
**PITTSBURGH & LAKE ERIE.**—$1.50 quarterly, payable Oct. 15 to holders of record Oct. 1.

# New breed of "yes-man"

*He's your Great Northern Freight Traffic specialist... a man whose answer to the most complex shipping assignments is nearly always: "Yes... can do!"*

From the Great Lakes to the Pacific Northwest—with some 1450 points in-between. That's my "beat" as Rocky, the Great Northern goat. (And at the pace this railroad is moving, you can make that "gallopin' goat"!)

Boy, you should see the great solutions our GN freight experts come up with for tough transportation problems. I mean, they're really *answer-men!* Like what they did for a Minnesota granite quarry, for example.



**66 Piggyback loads later... a brand new market for Minnesota granite!**

This company needed to move 2,000,000 lbs. of granite to a cemetery chapel construction site in Worth, Illinois—at "rock-bottom" cost.

Enter GN Piggyback Service to save the day... with 66 loads delivered direct from the quarry to the off-track cemetery site. Thus, a Minnesota industry found a new market for its product—thanks to a whopping big saving in transportation.

**Cutting the cost of "paperwork"**

When regular shipments of a wide variety of goods are made to lots of different points—well, you've got "paperwork." (Freight rates to check and bills of lading to prepare by the desktop-full!)

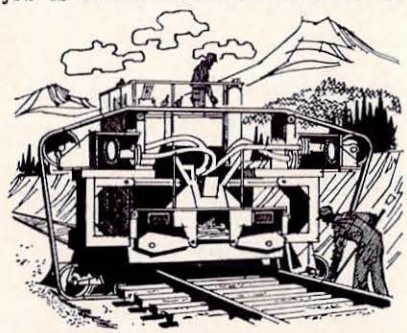
So you can imagine the saving to a large chain of variety stores when GN freight specialists worked out *one* LCL rate for *all* classifications of this customer's goods shipped from Minneapolis to each of 16 Midwest points.

If you're moving new products to market—or would like to trim costs of distribution in present markets—*Coordinated* Shipping Service (freight car-piggyback-truck) could be the answer. Why not contact your GN freight representative and see what an eager breed of "yes-men" we really are?

**GN teams mechanized "muscle" with maintenance crews**

Pictured below is what we call a "track undercutter-skeletonizer".

It's one of the many huge machines GN applies to its continuous maintenance of way program... and its job is to remove material from be-



tween and under rail ties, so we can pour in new crushed rock ballast. A giant, diesel "broom" helps our crews do the spreading and leveling. Then, still another mechanical marvel tamps the ballast firmly in place. (Some of our ballast is pretty "high-fashion," too—pink quartzite, no less!)

To give you an idea of how important maintenance is to a progressive railway like Great Northern, nearly one out of every five GN revenue dollars is spent on men, materials and machines to carry out this work.

A doggone good investment, too. Because the better we keep up our roadbeds, equipment and trackside facilities, the better the riding on GN streamliners—and the more assurance to shippers that freight goes *great* when it goes Great Northern.

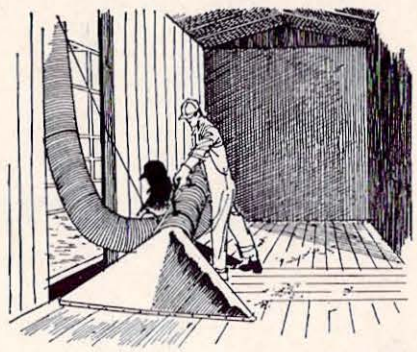
**Happy "hole-mates": salt and LP gas!**

Ask one of GN's mineral development experts what's new around Williston, North Dakota—and you could almost start a newspaper! For example: a new addition to this bustling region is a salt extraction plant; and the enormous caverns from which the salt comes are later used as LP gas storage "tanks."

Great Northern's job, of course, is to haul both these valuable commodities to market—along with lots of that wonderful North Dakota crude oil and lignite coal.

**How'd you like to lift your feet for a vacuum cleaner like this?**

What you see here is a step in our mechanized car-cleaning systems at Everett, Washington and Grand Forks, North Dakota. Together, these two facilities turn out about two dozen spic-and-span freight cars every hour—with everything from

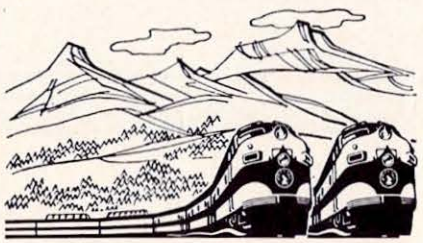


steam cleaning to flattening of nails taken care of. Just goes to show how serious we are about licking "dirty box car" problems that plague both shippers and railroads.

**Last call for Seattle World's Fair!**

This fabulous Space-Age exposition closes October 21, and right now's a perfect time to go—Pacific Northwest climate and scenery are just great in the Fall. And the great way to go is aboard one of GN's two great Vacationland trains:

**Incomparable Empire Builder and Western Star... fast, direct to Seattle**



Well, that's about it for now—end of the line. But if you've got goods, a business or people to move—or you want information on new developments in our great resource-rich region—I hope you'll remember that we're sure interested and ready with some mighty specialized help. Just write or give us a call at:

**Great Northern Railway**

175 E. 4th St.,
St. Paul 1, Minn.
*Offices in principal cities of the U.S. and Canada.*

GREAT NORTHERN RAILWAY

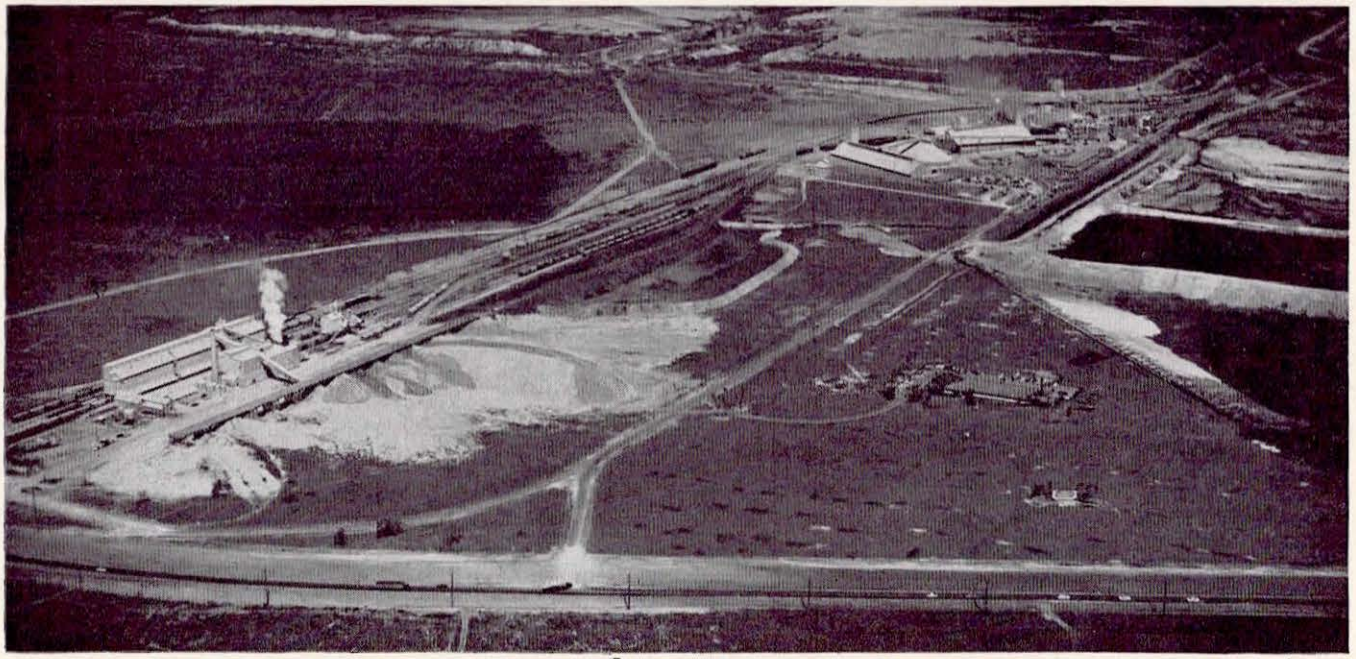
## Shippers Along the Coast Line

William R. Fort, manager of the W. R. Grace & Company mining and chemical operation at Ridgewood, Florida, has 20 years' experience in chemicals. A director of the Lakeland, Florida, Chamber of Commerce, he is a member of the American Chemical Society, American Institute of Chemical Engineers and the Florida Air Pollution Control Commission.

*In Ridgewood, Florida...*

# *W. R. Grace & Company*

# *Annually Produces 18,000 Carloads of Chemical Fertilizer*



W. R. Grace & Company's Ridgewood, Florida, Fertilizer Plant

The W. R. Grace & Company's mining and chemical plant complex at Ridgewood, Florida, produces over 18,000 carloads of chemical fertilizer a year. Originally a small phosphate mining operation, this growing facility now manufactures eight fertilizer products for farmers throughout the United States and abroad.

Multi-product manufacturers like W. R. Grace & Company know the importance of efficient transportation for profitable operation. Such firms depend on flexible, economical movement of large quantities of raw materials, supplies and finished products—the kind of shipping service Coast Line offers. If *your* company needs this kind of service, too, why not call your nearest Coast Line representative?

ATLANTIC COAST LINE RAILROAD

*. . . serving the Southeast Coastal 6*

SEPTEMBER TRAFFIC POLL

# TMs Say Bigger Cars Would Help

## Proposition

**In recent years, there has been a definite trend toward development, construction and use of highly specialized types of freight cars. Still more recently, some railroads (e.g., Southern, Louisville & Nashville, etc.) have put into service open-top cars and even covered hopper cars of ultra-high capacity, i.e., 90 and 100 tons, but not specifically limited to particular commodities. (The Southern is talking of possible 200-ton cars.) The questions below were suggested by an industrial traffic manager * whose company, as a bulk shipper, is interested in the possibilities of larger cars.**

## Questions

**As a shipper, do you think use of high-capacity cars (90 tons, 100 tons or more), but not necessarily limited to carriage of specific commodities, would:**

**1) Be advantageous to shippers able to use such cars?**

| | |
|---|---|
| Yes | 65 |
| No | 1 |

**2) Improve railroad efficiency?**

| | |
|---|---|
| Yes | 59 |
| No | 4 |
| Doubtful | 2 |

**3) Increase railroad earnings?**

| | |
|---|---|
| Yes | 60 |
| No | 2 |
| Doubtful | 2 |

Shippers in general see a good many benefits, both to industry and to railroads, from development of high-capacity (but not necessarily highly-specialized) freight cars.

Their approval, however, is not quite as unreserved as the tabulated replies (above) would indicate. Many of those who answer the specific questions affirmatively qualify their replies by pointing out that shipping patterns or shippers' facilities make standard-size cars a continuing necessity.

*A. C. Roy, director of traffic, Pennsylvania Glass Sand Corp., Pittsburgh, Pa.

On the wholly affirmative side are comments such as that by F. F. Flinchbaugh, director of transportation, International Milling Co., Minneapolis: "Railroads can only remain competitive for industry's transportation needs by more efficient operations, which in turn will let them reduce their costs. High-capacity cars are a step in this direction."

"Railroads and shippers cannot afford to overlook any opportunities" in the fields of service and efficiency, and specialized cars are "part" of both, agrees W. L. Bush, director of transportation, Weyerhaeuser Co., Tacoma, Wash.

Big cars are "a very practical solution to at least some" of the railroads' problems, says H. N. Johnson, general traffic manager, Ralston Purina Co., St. Louis. "A railroad," he points out, "can haul a car containing 90 tons for very little more than one containing half that amount. It stands to reason they can charge less per hundred pounds and still earn more per car-mile."

In a specific citation of that idea, W. R. Hofer, traffic manager, Olympia Brewing Co., Olympia, Wash., says his company's loadings "have increased from about 40,000 to over 100,000 lb per car. This has resulted in substantial increases in per-car earnings for the carriers which they in turn have shared with us through lower rates at the higher minimums."

"Heavier loading of cars induced by publication of incentive rates is," Mr. Hofer says, "one of the few remaining opportunities for shippers to reduce freight costs. . . . Larger cars would eventually result in greater car earnings for the carriers and additional savings to us."

"Both shippers and railroads will benefit," says F. A. C. Wardenburg, director, Traffic department, E. I. du Pont de Nemours & Co., Wilmington, Del., "from maximum development of an inherent economic advantage of rail transportation—the ability to haul greater quantities in a single large-capacity car at a very slight added cost." But this, he continues, will require—even more importantly than provision of the cars themselves—"freedom to establish rates which will permit carriers and shippers to share the economies realized."

Big cars can be an important competitive weapon for railroads, in the opinion of H. H. Kohn, TM, Linwood Stone Products Co., Davenport, Iowa, and J. P. Taboika, GTM, Cowles Chemical Co., Cleveland. The former, however, mentions truck competition; the latter, barge.

Trucks, Mr. Kohn suggests, may have "about reached their capacity" on present highways; might find it hard to meet the "lower rate—greater revenue" possibilities of big freight cars. Mr. Taboika sees "a rapidly expanding trend toward and limitless possibilities in" bulk shipping, especially of dry commodities. As a shipper and receiver of such products, his company, he says, would be definitely interested in use of big cars, and sees many advantages, e.g., reduction in product price and freight rate, fewer cars to handle, faster loading/unloading, and better use of side-track space.

Other respondents see outsize cars as applicable to a wide variety of commodities other than those mentioned by Mr. Taboika.

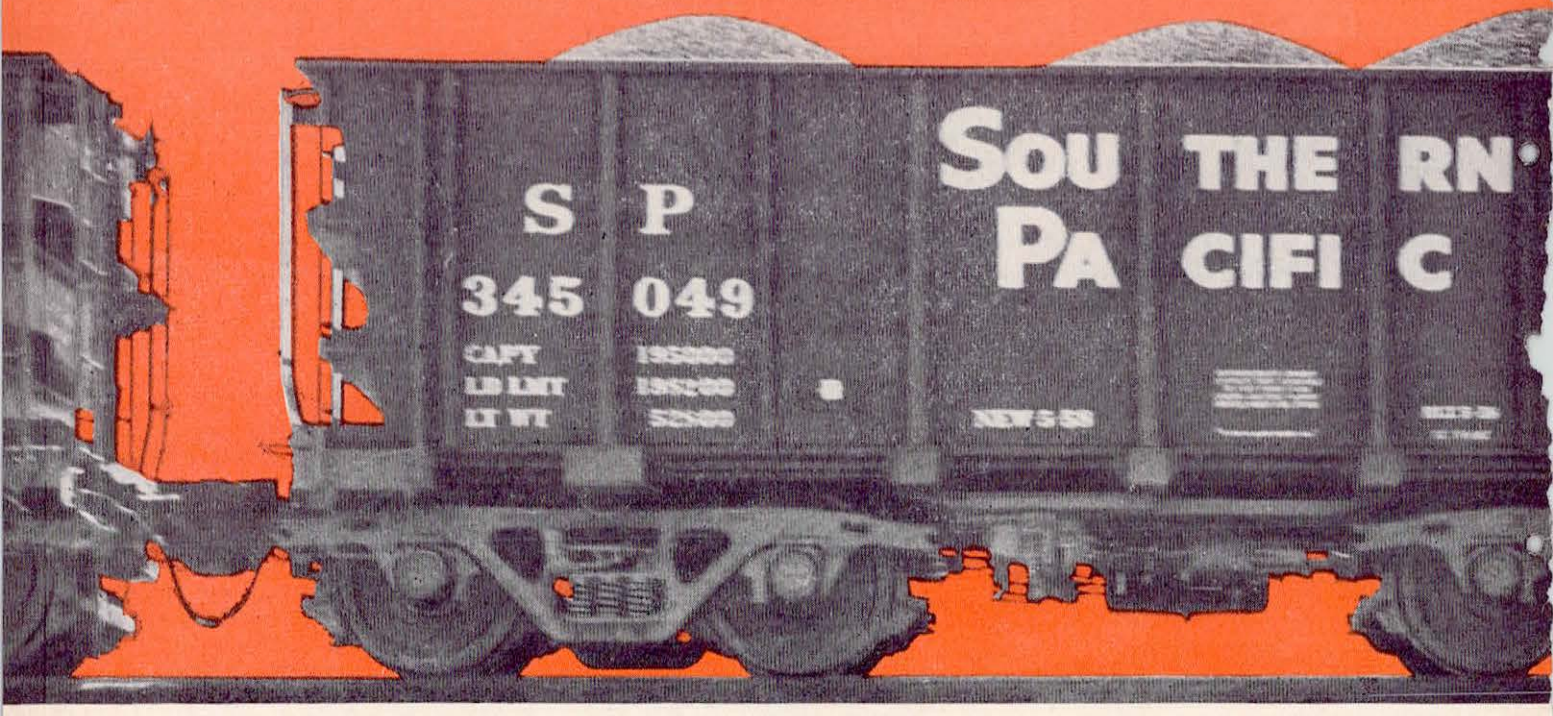
"Our experience with the [Southern's] 85-ft box car [for tobacco in hogsheads, RA, Dec. 18/25, 1961, p. 35] indicates it is profitable to shippers and less expensive to carriers due to reduction in paper work as well as switching," says August Heist, traffic manager, R. J. Reynolds Tobacco Co., Winston-Salem, N.C.

J. A. Erdman, traffic manager, Michigan Bean Co., Saginaw, sees big cars as "very satisfactory for bulk beans and grain." "Most grain shipments can be made in 100-ton cars, reducing expense for railroad and dealer," in the concurring opinion of W. W. Coggins, of Dallas, traffic manager of Russell Miller-King Midas Mills division of F. H. Peavey & Co. T. B. Kircher, traffic manager, Spreckels Sugar Co., San Francisco, reports that his company "has successfully shipped in excess of 100 tons of bulk sugar in a covered hopper car."

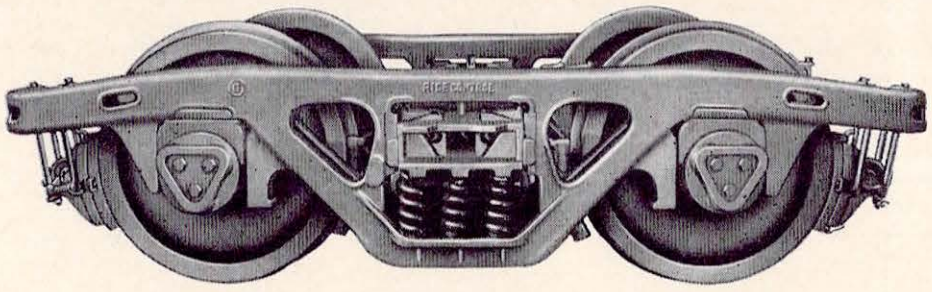
A. M. Cloninger, GTM, Longview Fibre Co., Longview, Wash., and S. L. Parker, TM, Pacific Lumber Co., Scotia, Calif., both find the Southern Pacific's 60-ft, 6,000-cu-ft, wood chip cars "beneficial to all parties." Mr. Parker adds that introduction of these cars required some rearrangement of his company's loading facilities, but offset this by reducing its plant switching costs. (He adds that "some of our customers have refused to expand their unloading pits to accommodate such

*(Continued on page 50)*

# SUCCESS STORY OF THAT EXPER




## SOUTHERN PACIFIC keeps heavy loads rolling on ASF Ride Control® Trucks



In 1957, Southern Pacific ordered Ride Control Trucks for six hundred 100-Ton Ore Cars. Last year, Southern Pacific re-ordered the same truck for seventy additional cars. Southern Pacific, like most major railroads, uses ASF 100-Ton Ride Control Trucks for dependable service and long life.

ASF **AMERICAN STEEL**

**Canadian Manufacturer and Licensee:** International Equipment Co. Ltd., Montreal 1, Quebec.

# THE 100-TON TRUCK IENCE BUILT...

Today, railroads use more ASF heavy duty Ride Control Trucks than any other kind. ASF pioneered many years ago the development of the components necessary for carrying heavy loads. Our experience in design engineering made possible the building of the strongest, most dependable heavy duty trucks in railroad service. Constant research and testing at American Steel Foundries continuously helps bring vital improvements on these trucks.

Only years of experience and performance could have brought about industry-wide leadership for ASF 100-Ton Ride Control Trucks. It is another contribution to railroad progress by ASF's research and product development. There is a 100-ton truck to suit your needs—contact your nearest ASF representative.

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ONE OF THE **Amsted** INDUSTRIES

# How the T&P Speeds Its LCL Traffic

► **The Story at a Glance: A new freight-handling system, based on use of four-wheeled bin trucks, is helping keep the Texas & Pacific's less-carload freight mobile. The system has permitted the T&P to reduce manual handling to a minimum, provides a sure means for constant control, and has speeded the flow of merchandise. Key to the system is the "tOwKart Bin Truck," manufactured by the M-H Equipment Co., Dallas, Texas. The first such system was installed in the road's Dallas terminal, and a second one is in service at the Fort Worth terminal. The system—described below by N.R. Stevenson, M-H Equipment's vice president, sales—has significantly reduced loss and damage.**

Advanced terminal freight-handling systems owe their success primarily to one all-important characteristic: they are designed to keep freight constantly mobile throughout its stay on the dock.

Regardless of type and volume of merchandise handled, or of the dock layout, such a system will speed up handling of LCL freight and reduce terminal operating costs in almost every instance.

Texas & Pacific Motor Transport Co., which provides a coordinated rail-truck service with the Texas & Pacific Railway, effectively demonstrated this two years ago when they set up a new system based on use of four-wheeled trucks in their Dallas terminal.

T&P had been using a forklift and pallet operation. Or, as one officer put it, "The real problem was that we had no single system—we were using three or four."

On investigation, T&P became convinced that a modern system would work significant improvements in a number of areas. Equipment was purchased, procedures were carefully drawn up and explained to responsible personnel, and the new program was under way. Now, two years later, T&P records show that it is an unqualified success.

Installation of the new system almost immediately enabled T&P to consolidate its separate inbound and outbound operations into a single dock using just one-third of the space formerly required. Eighteen inbound car spots were completely eliminated. And one-man crews were adequate where three men were previously needed.

Operating costs have been considerably lowered and the new system has speeded up the flow of freight across the dock. Service to patrons has been directly improved because closer control of shipments is now assured, and city deliveries are being made earlier.

The equipment selected by T&P for their successful new system is the "tOwKart Bin Truck." This is a new and modified version of the original "tOwKart" developed for the trucking industry by M-H Equipment Co., of Dallas, and now said to be the country's largest-selling platform cart.

The tOwKart Bin Truck is a three-sided bin mounted on a 28-in.-by-52-in. hardwood deck. The three sides are enclosed by heavy-duty steel straps which allow full visibility of the freight at all times. The 60-in-high superstructure and ample deck dimensions provide a high cube capacity that conserves valuable space both on the dock and in city pickup and delivery trucks.

The four wheels are rubber-tired with precision roller bearings, and easy-swivel casters provide excellent maneuverability. A large blackboard is provided for coding, and there are two freight bill clips.

Here is how T&P uses this bin truck to expedite handling of LCL:

In a typical inbound operation, T&P strips its cars directly into bin trucks. When there are several small shipments they are normally consolidated into a single truck. Routing information is posted on the bin's blackboard.

As soon as they are loaded, the bins are promptly wheeled out of the way and conveniently stored in a designated area of the dock for later loading. Or, whenever practical, they are immediately peddled down the dock into delivery trucks.

When loaded with a single shipment, the bin can be rolled right into a delivery unit and there anchored in position by an underfloor pin. The sides of the delivery truck may be lined with loaded bin trucks, leaving a center passageway open for easy access to freight or for loading long, bulky items. Many times the bins are loaded solid, three abreast, thus taking advantage of the full floor capacity of the delivery unit.

On arrival at the consignee, the freight is stripped from the bins and handled out of the delivery unit on a two-wheel hand truck. Where it is more practical to do so, the bins themselves may be wheeled out onto the dock for stripping.

Throughout the entire operation, T&P has reduced manual handling to a minimum, has provided a sure means for constant control, and has speeded the flow of merchandise.

In the case of outbound freight, much the same procedure is followed, in reverse.

T&P dispatches its pickup trucks

**THE HIGH-CUBE** capacity of a "tOwKart Bin Truck" (28 x 52 x 60 in.) enables one man to transport considerable freight with ease.

**THIS VIEW** of the T&P Dallas terminal shows "tOwKarts" and bin trucks positioned in designated areas.

carrying empty bins. At the shipper's dock, freight is loaded into the bins. These are returned to the T&P dock where the consolidated shipments are quickly wheeled out, dispensing with any need for time-consuming manual breakout.

The loaded bins are rolled to the dock area and are ready to be wheeled into the appropriate car, where the freight is unloaded and stored.

Frequently, T&P has found that the provision for blackboard coding safeguards shipments which may originally have been poorly marked by the shipper.

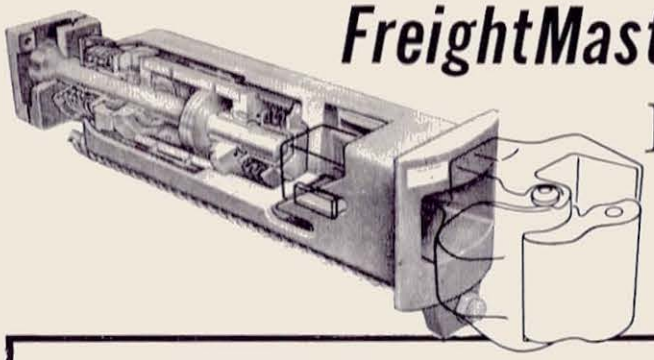
Most users are finding that a high percentage of freight can be successfully handled on the tOwKart Bin Trucks. T&P officials estimate that approximately 85% of their LCL merchandise lends itself to such handling. The remainder, made up of outsized, bulky items, is handled with standard tOwKart platform carts or with special handling equipment.

While T&P has found the new system to be highly effective in the primary areas of savings in time, cost, labor and space, the company reports that the bin truck system also has significantly reduced damage and loss.

T&P's "keep-it-on-wheels" system has proved so successful at Dallas that the company last spring installed a similar system in its Fort Worth terminal. Though in operation only a relatively few months, the new set-up already is paying off.

**BIN TRUCKS** are shown here anchored in position in a T&P delivery truck by underfloor pins.

**A T&P DOCK MAN** wheels a "tOwKart Bin Truck" directly into a line-haul truck for fast, easy loading.



# FreightMaster Versatility... Is A Matter Of Record

**HERE ARE A FEW EXAMPLES OF THE WIDE VARIETY OF ROLLING STOCK EQUIPPED WITH FREIGHTMASTERS INSTALLED BY 20 MAJOR CARRIERS:**

| Type of Car | Capacity and Length | Type of Service | Car Construction Notes |
|---|---|---|---|
| Existing Box Car | 50-T; 50'6" | Newsprint | .... |
| New Box Car | 70-T; 50'9" | Glass | Equipped with Load Restrainer |
| Existing Box Car | 50-T; 50'6" | Auto Engines and Parts | Equipped with engine and parts racks |
| New Covered Gondola | 70-T; 52'1" | Tin Plate | Uses movable bulkheads |
| New Box Car | 50-T; 50'6" | General Merchandise | .... |
| Existing Flat Car | 70-T; 53'6" | Truck Frames | Fabricated Center Sill |
| New Insulated Box Car | 70-T; 50'1" | Food Products | Equipped with Load Restrainers |
| Existing Box Car | 50-T; 40'6" | Newsprint | .... |
| Existing Flat with Bi-Level Rack | 85' | Farm Tractors and Implements Trucks and Boats | Rack attached solidly to car structure |
| Existing Articulated Bi-Level Auto Rack Car | 120' | Automobiles | Automobiles carried with rear wheels chocked and no hold-down chains |
| New Box Car | 50-T; 50'6" | General Merchandise | .... |
| Existing Flat Car | 50-T; 53'6" | Auto Frames | Fabricated Center Sill |
| Existing Box Car | 50-T; 40'6" | Newsprint | .... |
| Existing Flat Car | 70-T; 53'6" | Heavy Equipment | Fabricated Center Sill |
| Existing Box Car | 70-T; 50'6" | Tin Plate | Converted from 50-ton car |
| New Gondola | 70-T; 39'4" | Limestone | .... |
| New AirJet Pressure Tank Car | 70-T; 42'8" | High Capacity Bulk Commodities | Partial Center Sill |
| Existing Box Car | 50-T; 50'6" | General Merchandise | .... |
| Existing Box Car | 50-T; 50'6" | Newsprint | .... |

**NOTE:** Modifications required to adapt either a new or existing car to receive FreightMaster Units can be made with available standard components. These include either cast steel underframe ends, draft sill end castings, striker and bolster center filler castings, or rear lug castings and fabricated parts. Various combinations of these components may be used for any particular application.

New cars, existing cars, long, short, standard, special — almost *any* car can be easily equipped with the cushioned protection of FreightMaster Hydraulic Cushioning Devices with minimum modifications.

When making an installation in an existing car, the modification can be made without removing the bolster center filler or the cover plates. FreightMaster units on either end of the cushioned car act independently of each other. This design gives FreightMaster its unique capability of transmitting its shock-absorbing properties to *adjoining* cars, as well as the FreightMaster Cushioned Car.

Get full details on how FreightMaster versatility can provide the maximum level of impact protection to existing cars, new cars, *your* cars — and do it for a fraction of the cost of other high capacity mechanisms. Write or call FreightMaster, Fort Worth.

*FreightMaster has received A.A.R. limited approval for use in general interchange service.*

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# NITL Sees Enormous Scope in Costing Case

► **The Story at a Glance: The ICC has set back to Jan. 2, 1963, the deadline for filing presentations in the cost-evidence case which the National Industrial Traffic League considers a proceeding "of tremendous scope, the outcome of which will affect all segments of the economy concerned with surface transportation." The case is No. 34013, a rule-making proceeding instituted by the Commission last May with the objective of obtaining better cost evidence in competitive-rate cases (RA, May 14, p. 10).**

The National Industrial Traffic League's appraisal of the pending cost-evidence case as a proceeding of "tremendous scope" has prompted the League to ask the ICC to call a conference of all interested parties before the date for submission of presentations. The Commission's action postponing that date until Jan. 2, 1963, came in response to a petition filed by the National Motor Freight Association, but it is also a first in the direction which the League wants to go.

The ICC's objective in the proceeding is to obtain better cost evidence in competitive-rate cases. Specifically, the Commission proposes to adopt as its own several cost formulas and studies derived therefrom which have been developed by the Cost Finding Section of its Bureau of Accounts.

Included is Rail Form A and Rail Terminal Form F, which are used in determining freight service costs. Highway Forms A, B and E are also involved, and similar water carrier forms will be added to the list as soon as they are completed by the Section. The derived studies, which would gain like-status under the Commission's tentative proposal, have also come from the Cost Finding Section. There are 15 of them, including "Distribution of Rail Revenue Contribution by Commodity Groups," and "Rail Carload Cost Scales by Territories." The other 13 are regional studies of motor carrier costs.

The presentations of interested parties were originally due last July 2, but that deadline had been set back to Oct. 1 when the further postponement until Jan. 2, 1963, was announced. The deadline for filing replies to these presentations was also set back—from Nov. 20 until Feb. 4, 1963.

The presentations may include proposals to amend the formulas and studies before they are adopted by the Commission. Also open for comment is the question of how the formulas and studies may be used in evidence, including a proposed rule that they be "accepted as *prima facie* proof of the facts which they purport to establish." In addition to improving cost evidence, the Commission hopes that rules coming out of the case will eliminate controversy about admissibility of cost data, thus shortening cross-examination on methods used in preparing cost studies.

"Changes of far-reaching consequence with respect to transportation cost evidence and its introduction in Commission proceedings can very well arise from the Commission's disposition of the instant proceeding," the NIT League said in its plea for a conference of interested parties. The conference should be before a commissioner or examiner, the League also said.

## NITL's questions

While the League "supports the objective . . . of simplification of assembling and presenting of cost data in rate proceedings, and of attaining improvement in the quality of cost evidence," it does not want the Commission to lose sight of other objectives. It wants to "insure continuance of full and fair hearing" and to "avoid rigidity of point of view, obstruction of advances in the science and art of determining transportation costs, and the imposition of undue and artificial burdens upon shippers in the adducing of . . . cost evidence."

To achieve these ends the League suggests 23 questions for discussion:

First of the League's questions deals with the status which the Commission studies would enjoy. They ask to what extent such studies will be *prima facie* proof of the facts as compared with individual carrier calculations based on the same general formulas; whether a carrier shall apply a general formula even though it may have specific factors available which better describe its operations; to what extent a general formula is usable for traffic handled under conditions which depart materially from the average conditions; whether the general formulas would be considered binding or *prima facie* proof even though a carrier's records permit more refined breakdowns of costs; and whether parties should substitute specific service units for averages without assuming a special burden of proof.

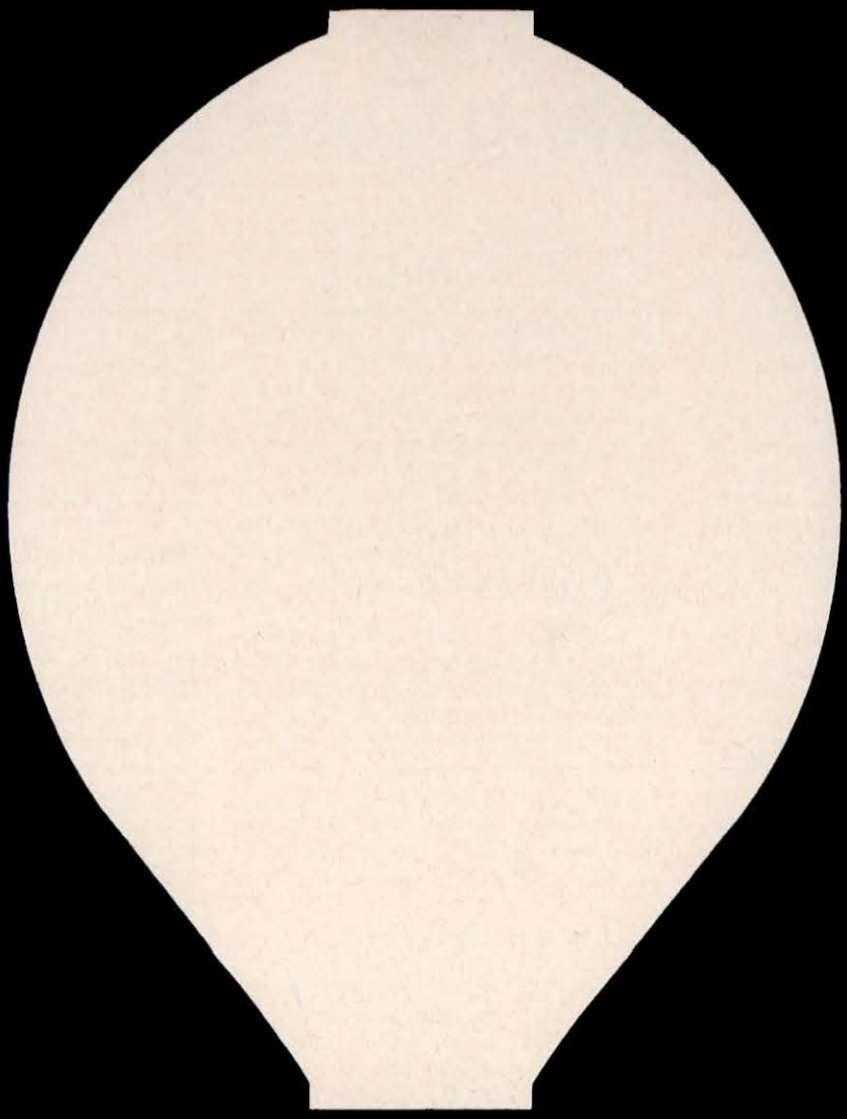
The League also asks whether methods of allocating constant costs, which depart from ICC-formula methods, are to be considered invalid, "even though the Cost Finding Section has recognized that apportionment of constant costs must be arbitrary"; and whether a formula found valid in an intra-modal rate case would have equal validity in an inter-modal case. As to out-of-pocket costs, the League asks under what circumstances such costs should be used, when fully-distributed costs should enter the picture, and when out-of-pocket formulas should include return on investment.

## 'Social costs'

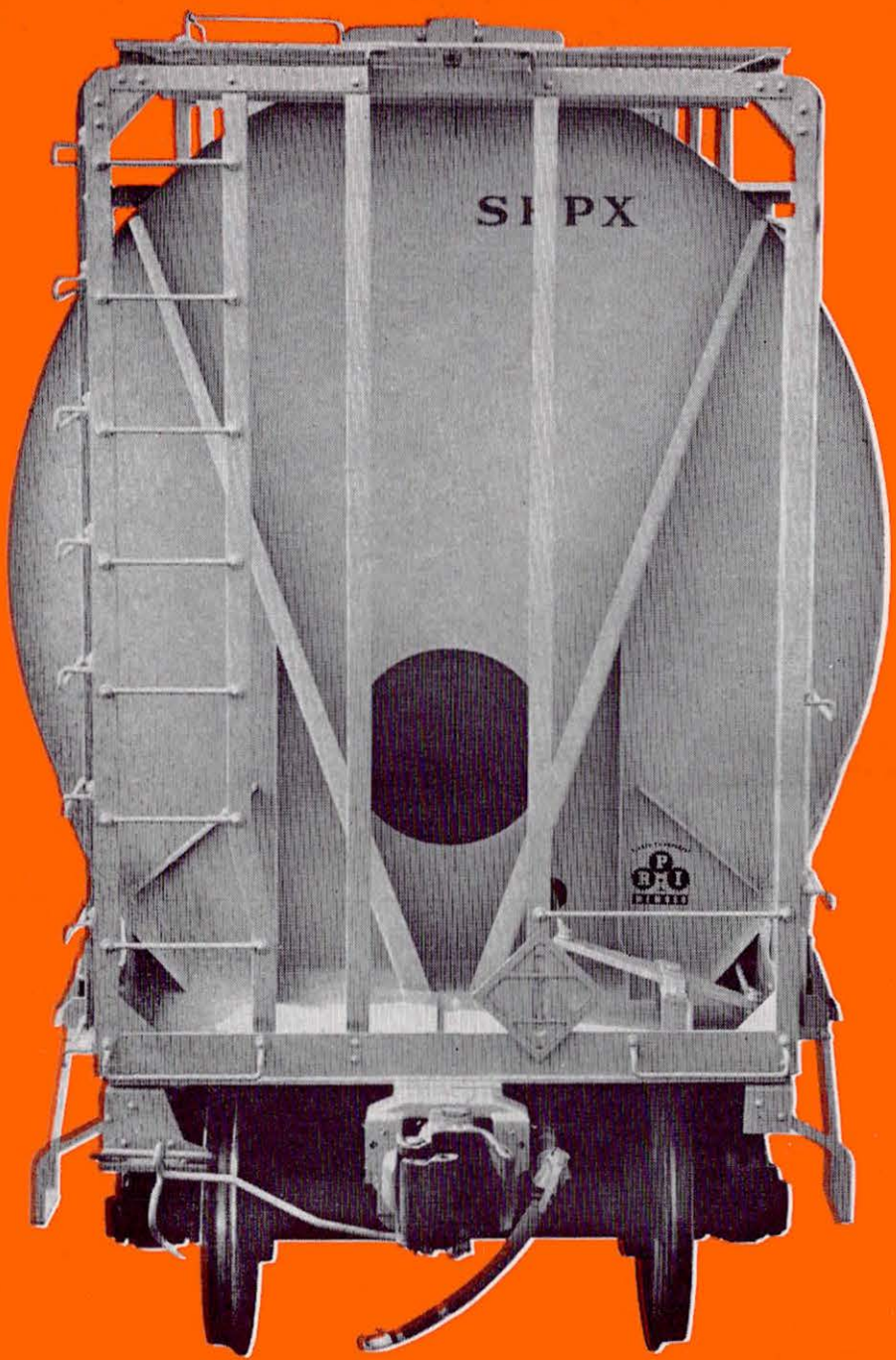
Also raised is a question as to "social costs," which are defined as government expenditures on transport facilities. Should costs of carriers using such facilities reflect these outlays of the taxpayer, the League asks, adding: "If not, will the cost formulas permit a determination of 'low cost' consistent with the objectives of optimum distribution of our resources?"

Other League questions ask how many years cost figures should stand up; whether the traffic factor in cost formulas should be past or future business; whether there should be provision for adjustments to reflect prospective traffic; and whether operating-expense data should be figures for one year or "suitable period averages." Where a new operation is involved, the League's question is whether *prima facie* proof of the operation's cost would be its actual expenses compiled on the basis of one of the accepted formulas, or "normalized or standard costs."

The League also wants the record in the case to contain a full presentation as to (a) the role of transportation costs in Commission proceedings, (b) how costs are, or should be, utilized by the Commission in formal cases, and (c) how costs are, or should be, utilized by the Commission's Board of Suspension. It wants to know, too, what provision will be made for modification of cost formulas after they have been adopted by the Commission, and whether such adoption would introduce a rigidity which would "materially obstruct further substantial progress in the science and art of carrier cost finding," and whether the Commission should tie its "*prima facie* proof" approach to "more liberal rules of discovery" whereby parties may develop additional evidence to disprove the "*prima facie*" cost showings.



Why is it pear-shaped?

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**Good reason.** With its unique, pear-shaped compartments, you can fill it to 97% of its capacity. This is the greatest use of cubic capacity by any dry bulk handling car.

Result: Railroads save money. Shippers save money. Because it takes fewer Center Flow Cars to do the job than boxy, old-fashioned type cars. And ACF Center Flow is a real lightweight... can carry bigger payloads every trip.

**Fastest loading, too!** Loading hatches are lined up down the center of the top of the car. No need to shift loading funnels from side to side to fill a Center Flow compartment.

**Fastest unloading!** Grain, sugar, flour, chemicals, plastic pellets all slide out with the least possible hang-up. Unloading hatches are lined up center bottom. (No space-wasting center sill to get in the way as in old-style cars.) What's more, Center Flow compartments are smooth as a rifle bore—no obstructions to cause contamination. They're virtually self-cleaning.

We make the revolutionary ACF Center Flow in aluminum or steel, with either pneumatic or gravity outlets, and from 2600 to 4000 cubic foot capacities.

**AMERICAN CAR AND FOUNDRY**
DIVISION
**ACF INDUSTRIES**

For more facts about how Center Flow can cut shipping costs, time and labor, write Henry A. Correa, Vice President – Marketing, ACF Industries, 750 Third Avenue, New York 17, New York.

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# FRUEHAUF TRAILERS ARE A PART OF SANTA FE'S FAST-GROWING PIGGYBACK FLEET

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Fruehauf Volume ☆ Van Trailers provide piggybackers with the world's most complete line of sturdy yet lightweight models. They're carefully engineered to meet every requirement, offer such important advantages as bigger payload capacity; greater resistance to coupling impacts and braking forces; latest tie-down equipment; positive, all-weather cargo protection; longer trouble-free performance. And Fruehauf's nation-wide network of service facilities helps keep them on the job, earning for you, year after year.

Piggybackers use more Fruehauf Trailers than any other make. Your Fruehauf representative will give you all the reasons why you should use Fruehauf Trailers in *your* piggyback operations. Or, mail the coupon.

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*—The Key to Transportation Savings*

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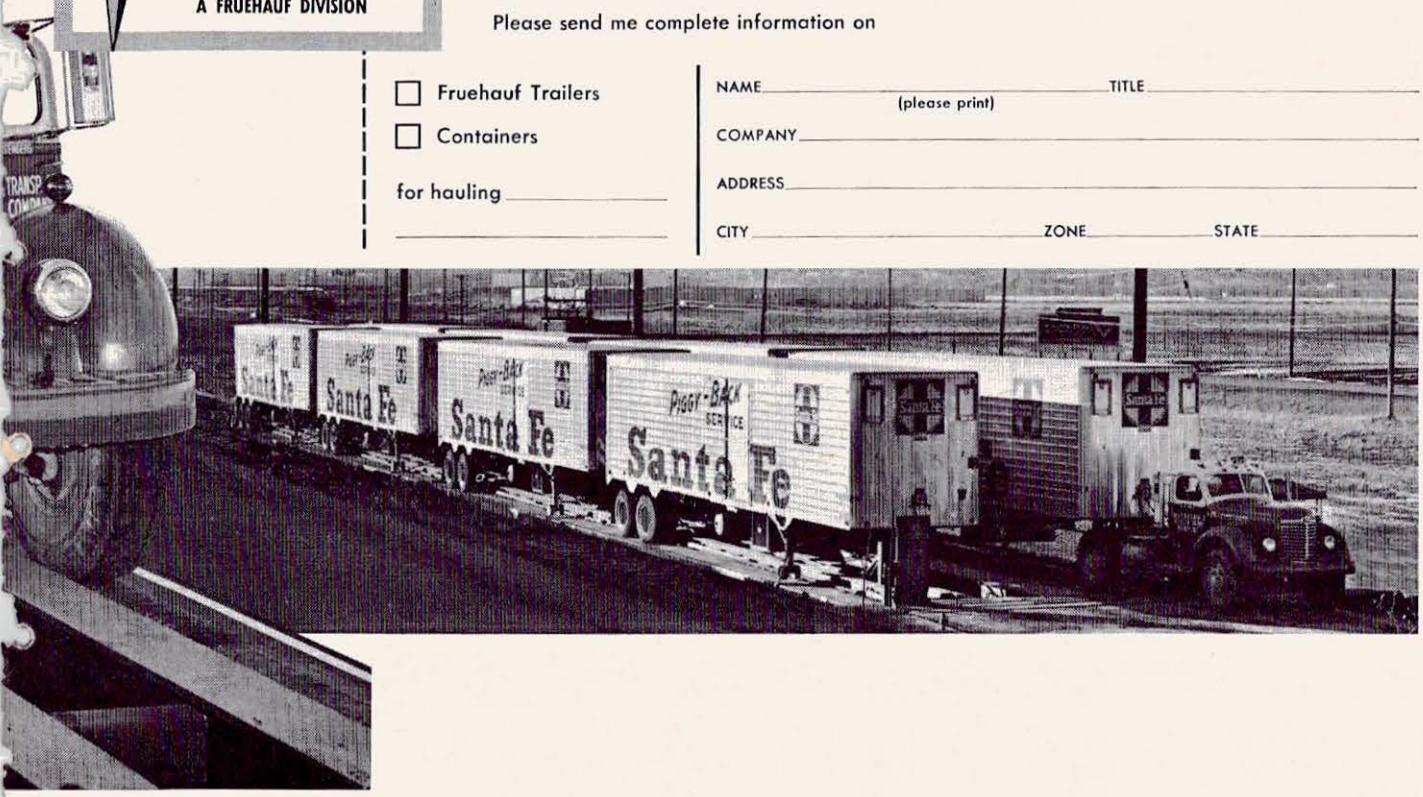
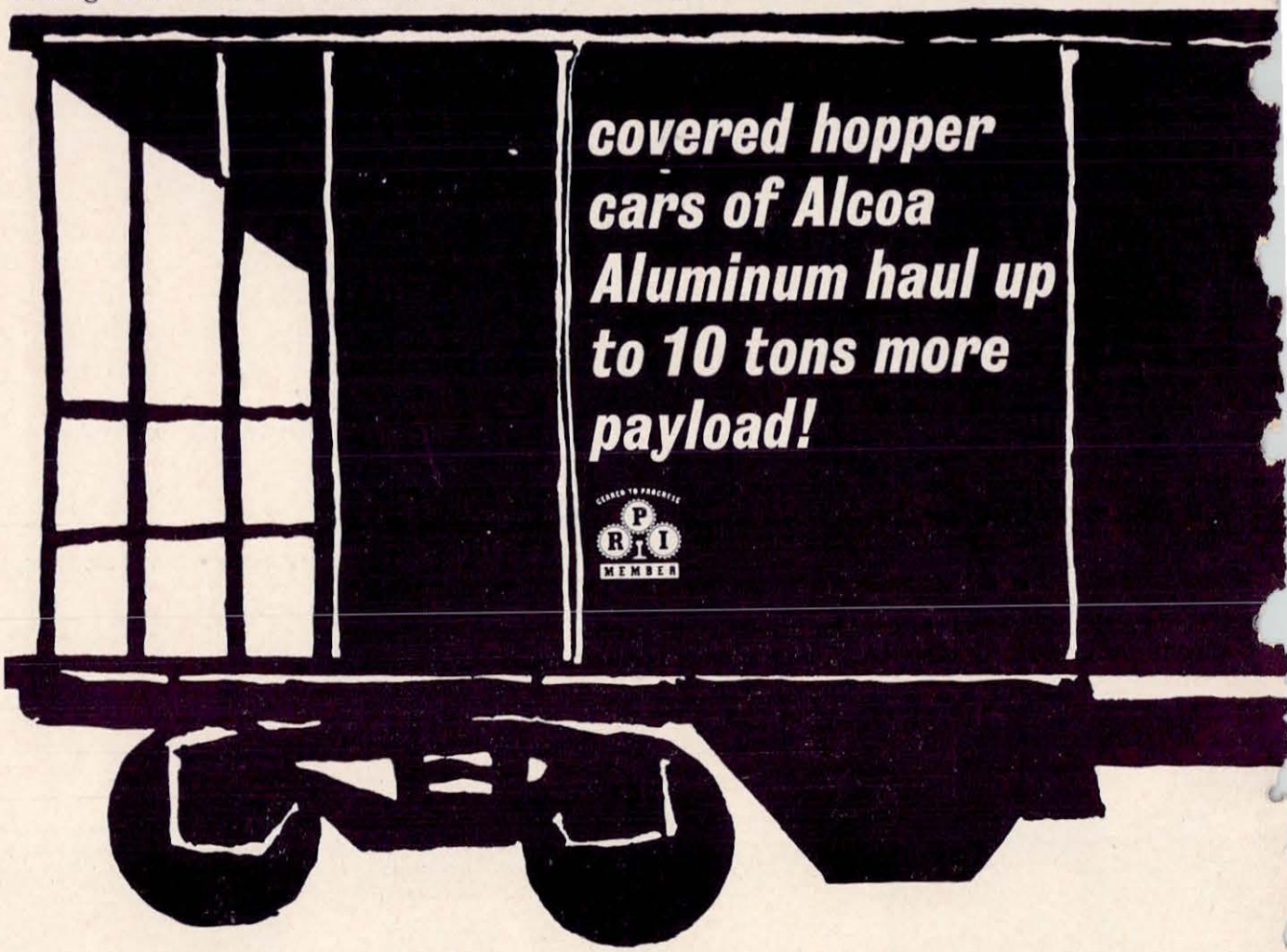
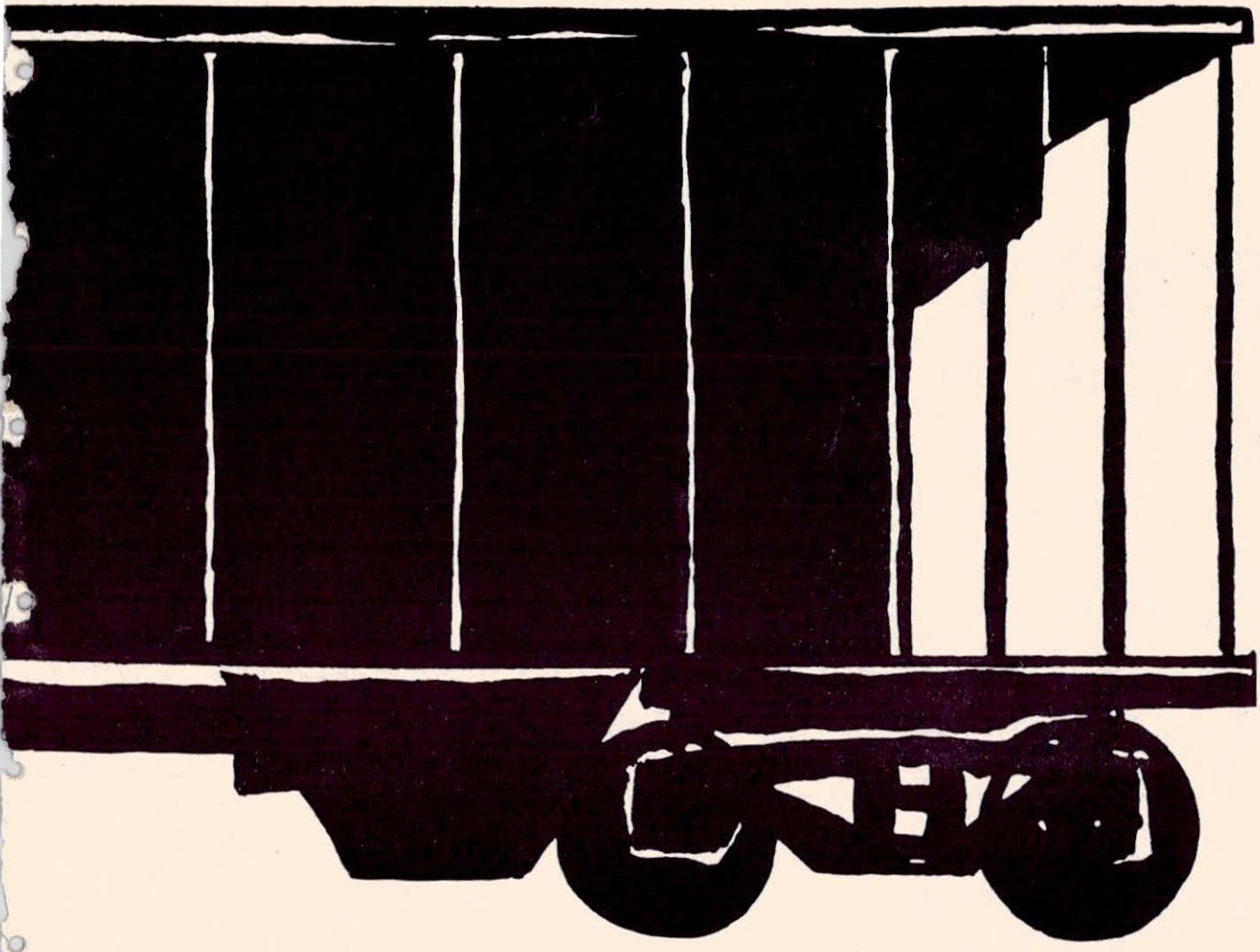


Extra capacity pays off in incentive-rate savings with covered hopper cars of Alcoa® Aluminum. Bonus: 5 to 10 tons, depending on lading density. Moving fewer cars also cuts handling charges. Hoppers need no linings. Aluminum is inert to most dry chemicals and nontoxic, so it can't contaminate foods. And because of aluminum's burnishing effect, these cars unload faster and cleaner.



America's railroads work closely with Alcoa on developments like this, giving shippers better service at lower cost. Shippers keep abreast of these advances through advertisements like this which disseminate news of mutual interest. Our experience is *yours* through any Alcoa sales office, or by writing Aluminum Company of America, 1760-J Alcoa Building, Pittsburgh 19, Pa.



*Alcoa Aluminum earns more by carrying more!*

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Entertainment at Its Best . . . **ALCOA PREMIERE**
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Another extra from your
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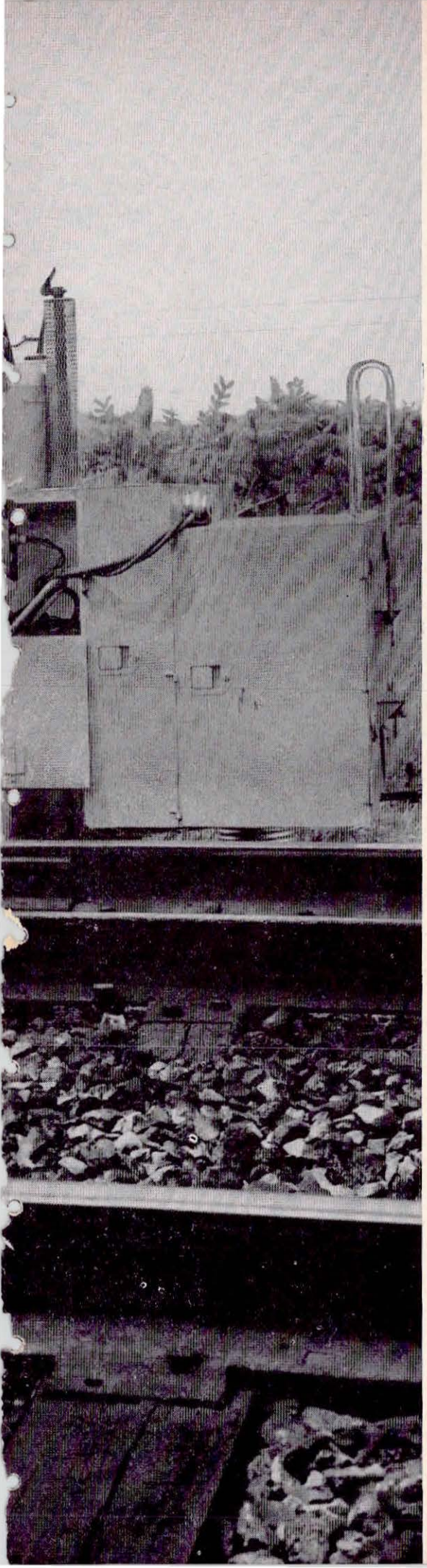


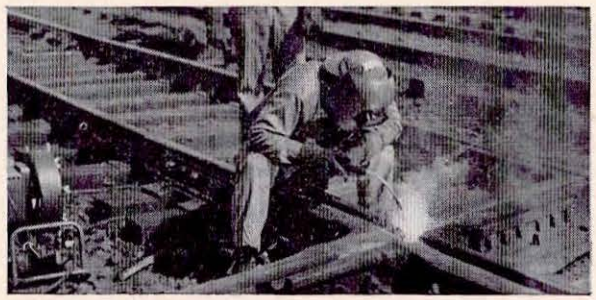
# NEW! "OXWELD" RAILROD A FASTER, BETTER WAY TO BUILD UP RAIL ENDS

Now LINDE introduces the Railrod system, a welding machine and cored wire electrode specially designed for semi-automatic electric rail end build-up. One-third faster than any other known method, it maintains wire feed and arc length automatically, taking the guesswork out of welding. This new unit features continuous operation—there are no interruptions in the welding cycle—metal is continuously being deposited.

OXWELD Railrod does a quality repair job, too. The deposited metal lasts from 50 to 100 per cent longer than that put down by other electric processes or other types of rod or electrode. In average track conditions, the alloys in Railrod produce a hardness of 375-425 Brinell, harder than any electrode or rod now used commercially in rail end build-up. More than 50 million gross tons of traffic have gone over an in-track test section with no visible signs of wear, chipping or cracking. The cored wire has all the flux and shielding media in the center of the electrode—right where they belong—in the heart of the weld as it's being made.

OXWELD Railrod costs less too! There's no wasteful stub loss, unlike that inherent in stick electrode welding. Railrod equipment is a favorite with welding operators—the automatic wire feed and arc length adjustment reduce fatigue and permit an inexperienced operator to do a better job, and let a skilled man work much faster. The torch is lighter, too—there is no pesky slag to be chipped away from the weld area. This new system produces less heat on the operator's hands, making it more comfortable for the operator to apply.

OXWELD Railrod is still another in the line of new money-saving products and services from LINDE's own Oxweld Railroad Department. For full information, contact your nearby representative. Or write Oxweld Railroad Department, Linde Company, Division of Union Carbide Corporation, 270 Park Avenue, New York 17, N. Y.; 230 N. Michigan Avenue, Chicago 1, Illinois. In Canada: Union Carbide Canada Limited, Linde Gases Division, Toronto 12.



The complete Railrod machine comes mounted on a cart, or on a skid and can be used with either on- or off-track equipment.

OXWELD
RAILROAD DEPARTMENT
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UNION CARBIDE

"Linde," "Oxweld," and "Union Carbide" are registered trade marks of Union Carbide Corporation

**MECHANICAL REFRIGERATOR CAR** is typical of more than 2,000 now operated by PFE. Diesel generator and refrigeration equipment are in engine compartment behind louvered door. The two 250-gallon fuel tanks have capacity for transcontinental trips.

**PFE PIGGYBACK CAR** and trailer ownership has grown rapidly. The 40-ft trailers are specially designed for rail and highway operations. Each has an underslung refrigeration system and a 200-gallon fuel tank.

# Will Diesels Power Future Reefers?

Successful development of mechanical refrigerator cars has been made possible by the diesel engine with its simplicity, ruggedness, economy and safe fuel.

Trailer refrigeration first developed around gasoline or propane engines, but lightweight diesel engines are now being used. This has encouraged the piggyback handling of refrigerated trailers.

Future rail and highway refrigeration systems, R. F. McKee, chief engineer of Pacific Fruit Express, told a recent Los Angeles meeting of the Society of Automotive Engineers, will depend upon the ability to increase the dependability of other components to that of the diesel engine. If this dependability is not increased, he emphasized, rising costs of operation will require adoption of other forms of refrigeration.

The modern ice-bunker refrigerator car involves one of the most dependable refrigerants known—water ice, Mr. McKee pointed out in tracing the development of refrigeration systems applicable to railroad equipment. It became the ideal vehicle with which to transport fresh perishable commodities, and with it grew the vast nation-wide system of distribution which enabled markets to expand great distances.

Yet, the ice-bunker refrigerator car is "on the wane," because its "near-perfect" refrigerant has a serious limitation—even with the use of salt, it cannot effectively hold car temperatures below 15 deg F. Ever since ice became the accepted method of refrigerating cars, means have been invented and explored to replace it or improve on it. Such activity was somewhat accelerated in the late Twenties with the advent of quick-frozen foods and the realization that some better method must be devised to permit operation in the zero degree range.

Many mechanical and semimechanical devices were tried, including axle-driven generator units; absorption systems using ammonia with water absorber tanks which could be regenerated; carbon dioxide or dry ice, with and without secondary refrigerants; cold plates charged with various substances; silica gel systems; and various arrangements of overhead ice bunkers using additives to lower the ice or brine temperature. None of these went beyond a few experimental units for limited tests. In every case, Mr. McKee said, they failed to satisfy the three essential requirements of any transport refrigeration system:

- Dependability—to provide protection with a high degree of reliability and a minimum of in-transit failures so the service will be commensurate with that upon which the shippers of perishables built their present distribution system.
- Economy of operation—so that costs will be compatible with established tariffs.
- Endurance—to permit long periods of unattended operation during the fast schedules which demand minimum number of stops to service, adjust, or replenish the system.

It became increasingly apparent that the most promising answer to this problem lay in a mechanical refrigeration system using standard commercially available components, but with its own power plant for electric operation. With the greatly increased expansion of the frozen-food industry following World War II, additional incentive was added, until by 1953 many railroad car lines were able to offer proved mechanical refrigerator cars in such numbers that they were no longer considered experimental.

These cars are now able to handle all kinds of perishables, both frozen and fresh, in the range of minus 10 deg F to plus 70 deg F, with close control of air circulation and humidity as required. The growth of the frozen-food industry, coupled with changes in the patterns of handling and distribution of foodstuffs, also served as incentives for the development of highway transport refrigeration.

The refrigerated trailer also went through the evolution from ice bunker refrigeration to mechanical systems, utilizing both power take-offs from the

*(Continued on page 31)*

## DESIGNED TO MEET YOUR SPECIFICATIONS

# SCULLIN DRAFT SILL CASTINGS

Working in close co-operation with the mechanical departments of leading railroads, Scullin was a pioneer in the development of one-piece Draft Sill Castings. They combine the striker, draft gear pocket, center filler and center plate into a single, rugged unit of great strength. They are available for all types of cars, including high capacity 90-ton hopper cars – and can be furnished with integral body bolsters.

Draft Sill Castings are another development by Scullin – for over 60 years, one of America's most reliable manufacturers of highest quality Freight Car Side Frames and Bolsters.

Whatever **your** requirements, Scullin production schedules are set up to assure fast delivery, on time, whatever the quantity involved. Specify Scullin Steel Castings for your new or rebuilt cars.

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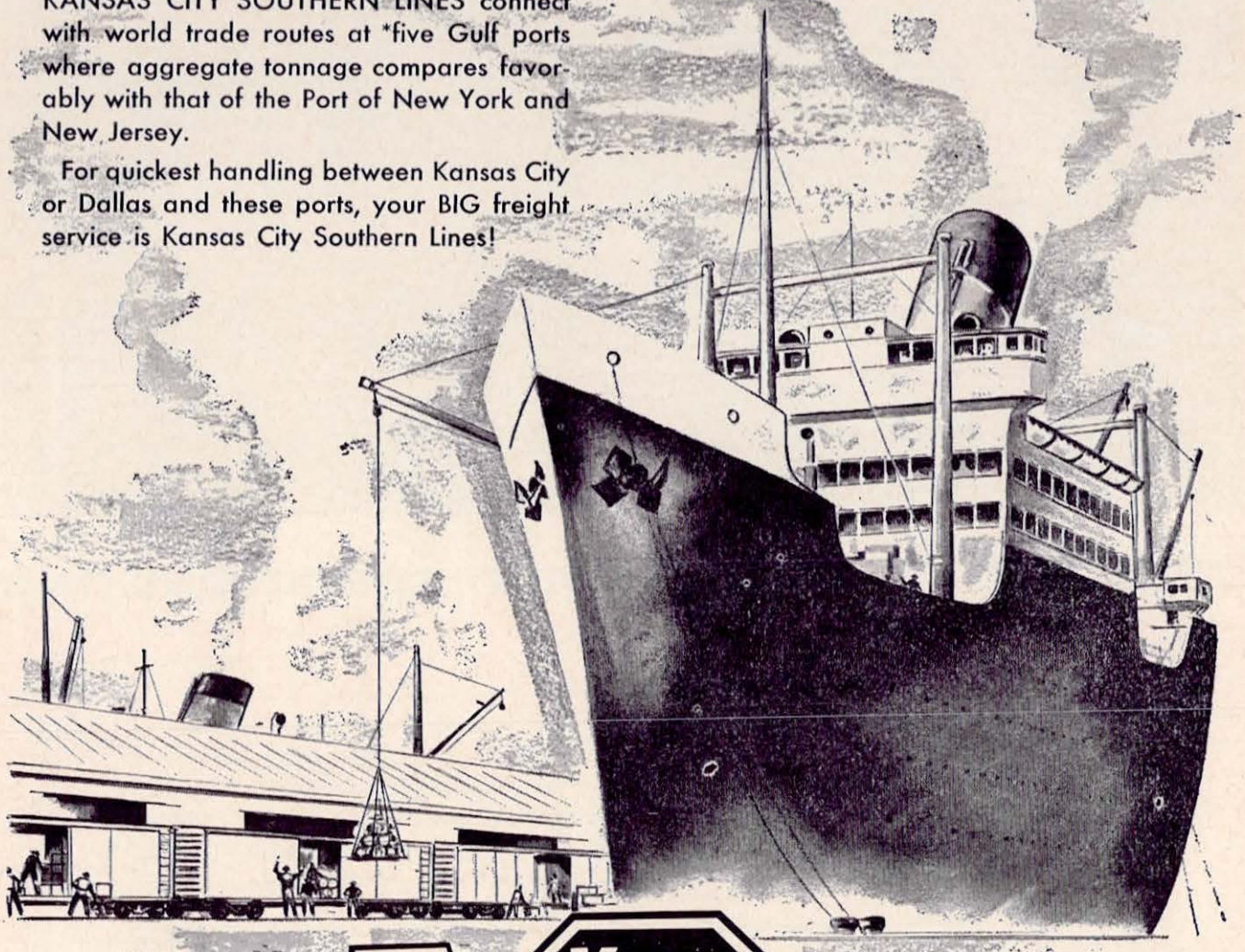
# BIG PORTS

KANSAS CITY SOUTHERN LINES connect with world trade routes at *five Gulf ports where aggregate tonnage compares favorably with that of the Port of New York and New Jersey.

For quickest handling between Kansas City or Dallas and these ports, your BIG freight service is Kansas City Southern Lines!



KANSAS CITY SOUTHERN Lines

J. W. SCOTT
*Vice President — Traffic*
KANSAS CITY 5, MO.

* **NEW ORLEANS, LA.** Second nationally in value of foreign commerce. Large International Free Trade Zone.

**BATON ROUGE, LA.** Farthest inland deepwater port. No congestion. Large areas for storage.

**LAKE CHARLES, LA.** Phosphate and barite ore specialists as well as general cargo. Growing fast in importance.

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**PORT ARTHUR, TEX.** On Sabine-Neches waterway. One of largest grain and petroleum handling ports on Gulf.

## DIESELS FOR FUTURE REEFERS? (*Continued from page 28*)

tractor and self-contained prime movers. There has been a distinct difference between the rail and truck developments. From the very beginning, the rail units were designed around electrically driven components and the source of power was a diesel-engine-driven generator set. The truck systems developed from mechanically driven components, with the compressor and fans directly connected to the engine, or with small auxiliary generators to take care of the remote electric fan motors. Power plants were lightweight gasoline or liquefied-petroleum-gas types.

The rail units were not severely limited by weight restrictions, and the shock and vibration called for a rugged construction which is inherent in the diesel engine. Excessive quantities of gasoline and propane would have to be carried in rail operations. The diesel engine offers economy of operation, simplicity, long life, and reduction in fuel consumption, all of which are highly desirable in a transportation application.

There has been a limited number of propane-powered rail units, but these have been confined principally to established short-haul fixed routes, such as meat service, where there is a rapid turn-around. The long-haul service, such as from California to the Atlantic seaboard, is on a seven-day schedule with an average unit operating time, including loading and unloading, of about ten days. This is practically exclusively diesel powered with fuel tank capacities of 400-500 gallons. The average system consumes about 18 gallons per day, so there is capacity for at least twenty days' operation.

The smaller high-speed automotive type diesel engine, now available to the trucking industry, made possible a lighter weight refrigeration system, and most of the larger truck trailers are now being equipped with diesel power. The engines are connected directly with the compressor, and fans and other components are usually belt driven as auxiliaries.

"While the diesel engine is basically a simple, rugged device requiring only air and fuel to operate, it is usually surrounded by a myriad of components and auxiliaries which have a much higher failure rate than the basic engine," Mr. McKee commented. "For example, the rotating battery charging generator, belt-driven off the engine, is now being replaced by a static rectifier charger taking power from the a-c generator."

It was found that the bearings, brushes, belts, and regulator must be put through an annual preventive maintenance program to insure dependable unit service, while the engine itself has an overhaul period of at least five years. Other components in the short-life category, Mr. McKee said, are pumps, radiators, thermostats, starters, controls, and shutdown safety devices.

If future developments will provide a system with all parts having the same degree of reliability and long life as the diesel engine, the transportation industry will have to look no further, he continued. The fact that this is not so, and that there is no real assurance it can be attained, is leading to research in other methods of providing refrigeration.

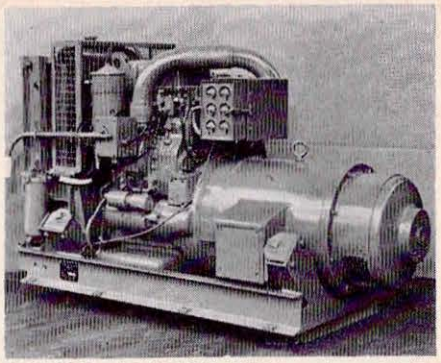
A leading contender in the field at the present time is the system using stored, expendable refrigerants, such as liquid carbon dioxide or liquid nitrogen. Systems using these are relatively simple when compared with the internal combustion engine and compression refrigeration system, as they consist only of an insulated storage tank, distribution piping, and a thermostat controlling a feed valve. They can attain very low temperatures for frozen foods and are reportedly being developed for use in above-freezing-temperature services. Since there are few moving parts, the reliability is high and they can easily be made to withstand the shock and vibration of transportation vehicles.

Another development which may supplant the diesel engine is the gas turbine, the PFE engineer said. It is now approaching the size where it would be feasible for transportation units in sizes of 25 hp or less. If it were coupled to a centrifugal compressor, it would provide a very simple compression system which could be used with present types of evaporator and blower assemblies. Other possible substitutes include fuel cells and thermoelectric refrigeration.

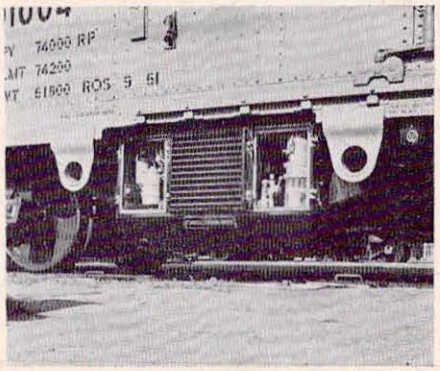
The control of temperature and environment in cargo transportation requires more than cooling alone. A large proportion of the shipments travel during times of the year and in areas where heat is required for cargo protection. Present systems provide heat easily and simply, either with electric heating elements powered by the diesel-electric generator sets, or with reverse-cycle heating powered by direct-drive systems.

With improvement in materials and equipment, the present diesel-powered compression-refrigeration and heating system will undoubtedly continue in use for some time. It is the most economical from the standpoint of fuel costs and availability, versatility of protection to cargoes either in cooling or heating, and acceptability in terms of known results.

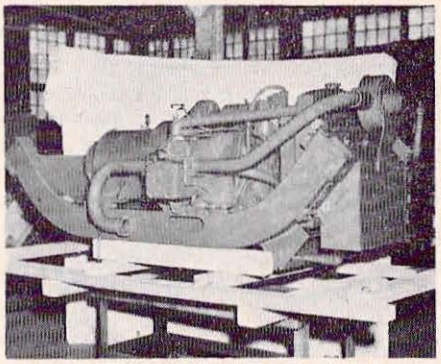
"It is hoped," Mr. McKee concluded, "that closer cooperation between the research staffs of the transportation industry and the suppliers of such equipment will provide this improvement and result in increased reliability and efficiency of operation."



**DIESEL ALTERNATOR** sets of this configuration are installed in car-end compartment. Special features include large, inclined shock mounts and extra crankcase capacity.



**INCREASED CARGO CAPACITY** in refrigerator cars can result from elimination of engine compartment at ends if underslung mounting of diesel-generator set is adopted. Package unit slides out for maintenance.



**OPEN CONFIGURATION** of this under-car diesel generator set makes it possible to reach components requiring maintenance even though unit is applied to the car with a fixed mounting.

# Rugged and Right for Piggyback Service

DORSEY TRAILERS®

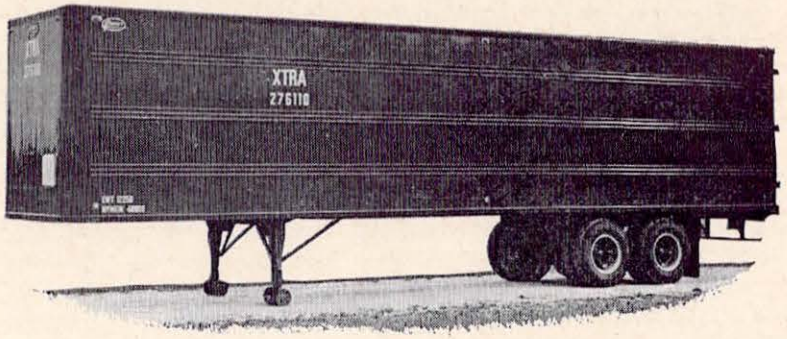
A special way of riveting gives Dorsey Trailers extra stamina to stand up under rigorous piggyback operation. It's done by the world's largest and fastest Drivmatic automatic riveter, and electronically-controlled machine that makes joints 40% stronger than ordinary hand riveting. This is a big advantage since a trailer's skin helps support the load.

A Dorsey Special Products Division engineer can give you the full story and show you how this advanced fabrication technique results in higher payload capacity as well as economy.

We welcome your most challenging problems—and the solutions we suggest will be based on fifty years of manufacturing, during which Dorsey has contributed more than its share of important innovations to the trailer industry.

DORSEY QUALITY
*One Year Warranty*
MATERIALS AND WORKMANSHIP

***Without obligation, may we send you a brochure describing our plant facilities and products?***

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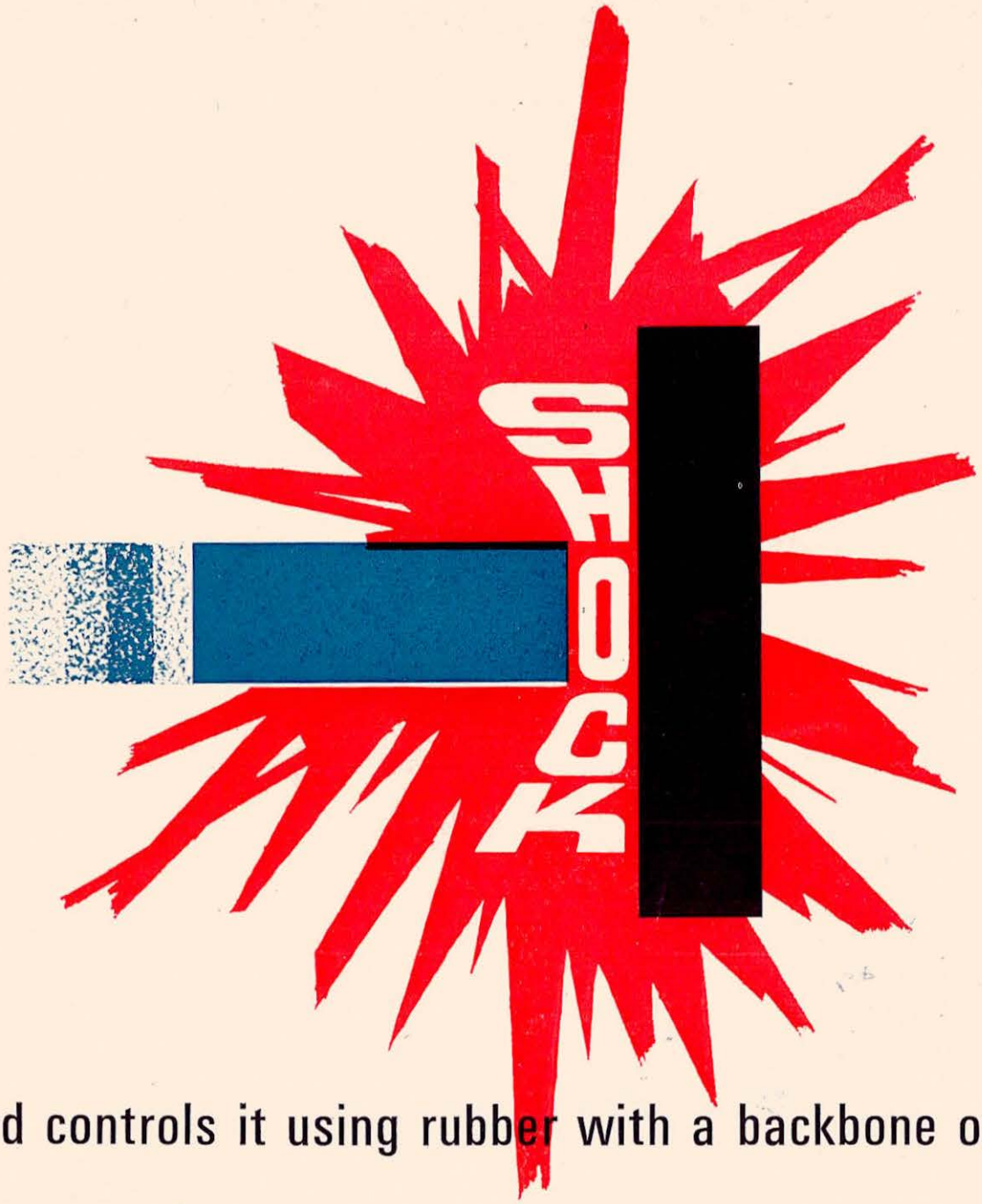
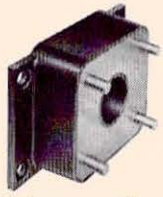
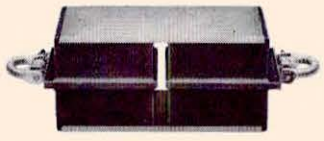
A Subsidiary of The Dorsey Corporation



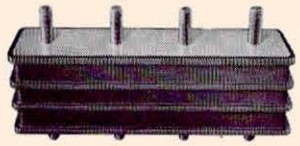

# Lord controls it using rubber with a backbone of steel



Lord container mountings prevent shipping/handling damage.



Tylastic Tie-downs provide shock protection for special lading.



Shear mountings for auto rack cars absorb high-energy impacts.

Lord shock mountings are the most useful, versatile, durable units for energy dissipation. They are custom designed to provide large deflections for maximum protection of lading and cars. Why not talk to us about your shock problem? Lord Manufacturing Company, Erie, Pa. Field Engineering Offices in principal cities. In Canada: Railway & Power Engineering Corp., Ltd.

LORD®

*vibration/shock/noise control*

# Class Rates—A Shipper's View

*In our Aug. 27 issue, p. 42, an article compared the relationship of the No. 28300 structure of so-called "class-rates" with rate scales constructed from the point of view of effective competition to produce maximum potential traffic and earnings. Viewed in this critical light, none of the class rates, from the lowest to the highest, was found to be effective. The suggestion was put forward that the class rates be discarded and that, in their place, a compiete numbered series of rate scales be substituted—each one designed economically to maximize traffic and net earnings for a given carload minimum. It was stated that rates constructed in this manner have been in successful use in France for many years.*

*Critical comment from readers was invited—and was duly received. A comprehensive and constructive criticism of the proposal came from James F. Haley, vice president and manager, traffic and transportation, Koppers Company, Inc., Pittsburgh. Mr. Haley said:*

"The article beginning on page 42 of your August 27, 1962 issue is a classic example of reasoning from false assumption to incorrect conclusion. In fact, it should be awarded the booby prize of the year and the author immediately assigned to an important job in some government bureau.

"(1) Railroad terminal costs—i.e., the placement of empty, removal of load and issuance of billing documents at origin plus the delivery of load, removal of empty and collection of freight charges (usually) at destination admittedly are more expensive than the mere linehaul movement of carload shipments between terminals.

"Thus, when hauls are short, terminal costs have a greater influence on the cost per mile than when the hauls are long and terminal costs are spread over a greater number of miles. The article says that no 'taper' has been included because it is unnecessary. This is a serious misunderstanding and will be dealt with in some detail below.

"(2) Reference is made to 300 economically constructed rate scales in use in France for a good many years. The SNCF is government-owned and has no rail competition within France. The same rule is true in most European countries and in the Middle Eastern and some Far Eastern ones as well. Even though gasoline is about 75 cents a gallon in France, the real reason the trucks don't hurt the railroad there as much as here is that very few plants located in different parts of the country compete with each other—product and price wise. The common market *may* bring some changes, however, as it brings German, Belgian, French and Italian plants into such competition.

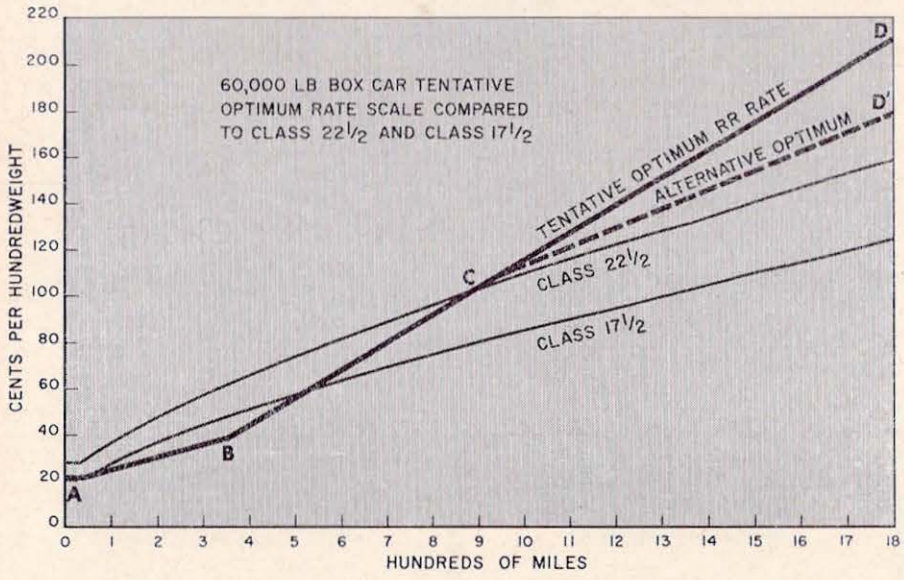
"(3) If the U.S.A. problem could be solved by the French scales the Old World system would have been embraced by everybody long ago—even by those fellows called traffic managers who might find themselves looking for other work.

"The truth is that in no place outside North America does multiple plant competition reach the levels it has achieved here. Besides the huge production capacities of widely dispersed plants there are certain ground rules that have been laid down by the Congress and by the courts to assure that competition between them is fairly conducted. More than one common carrier sales-marketing-pricing executive groping for a means of regaining shorthaul traffic from the trucks without hurting his overall revenue—in other words, in some fashion that will enable him to add to his gross and bring more down to the company's net income—has had that blinding inspiration to cut the blazes out of short haul rates so trucks cannot afford to compete and raise the long haul rates to close the gap and increase the net. For the long haul carriers nothing could be farther from the truth. In fact, such an approach can work only with items produced in only one place and by one company. Such instances are mighty rare these days and usually hedged with other involvements such as water competition.

"For example, let's take a rather familiar commodity like roofing materials—the common asphalt shingles that you use on your churches, schools and maybe on your home and farm buildings. Many of these are manufactured near where you live—100 miles or less from where you want to

(*Continued on page 39*)

## Class Rates Too High in Shorter Hauls?



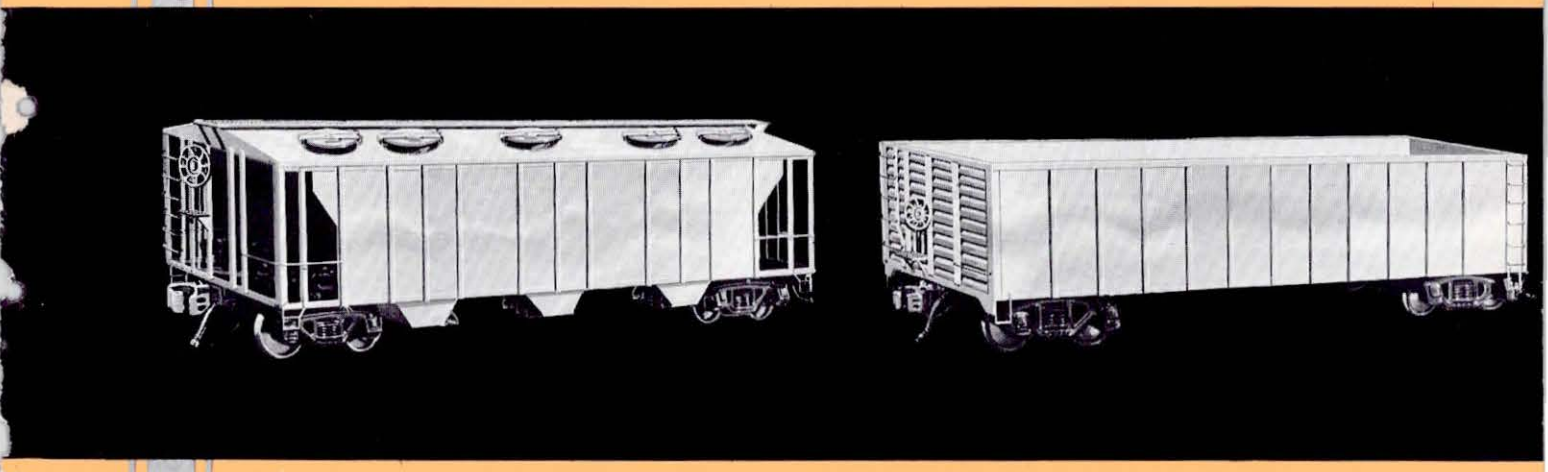

In the A-B zone, where truck costs are often lower than rail, rates still must be a small margin above railroad out-of-p costs.

In the middle-distance zone, B-C, optimum scale will be below truck costs but appreciably above rail out-of-p costs.

In the long-haul zone, C-D, scale may progress as a straight line or be modified downward (C-$D_1$) if necessary to enable long haul shippers to meet market competition.

Whatever the answer for rate determination in the long-haul zone (CD or C-$D_1$), it seems obvious that class scale rates are uneconomically high in the middle distance zone (B-C).

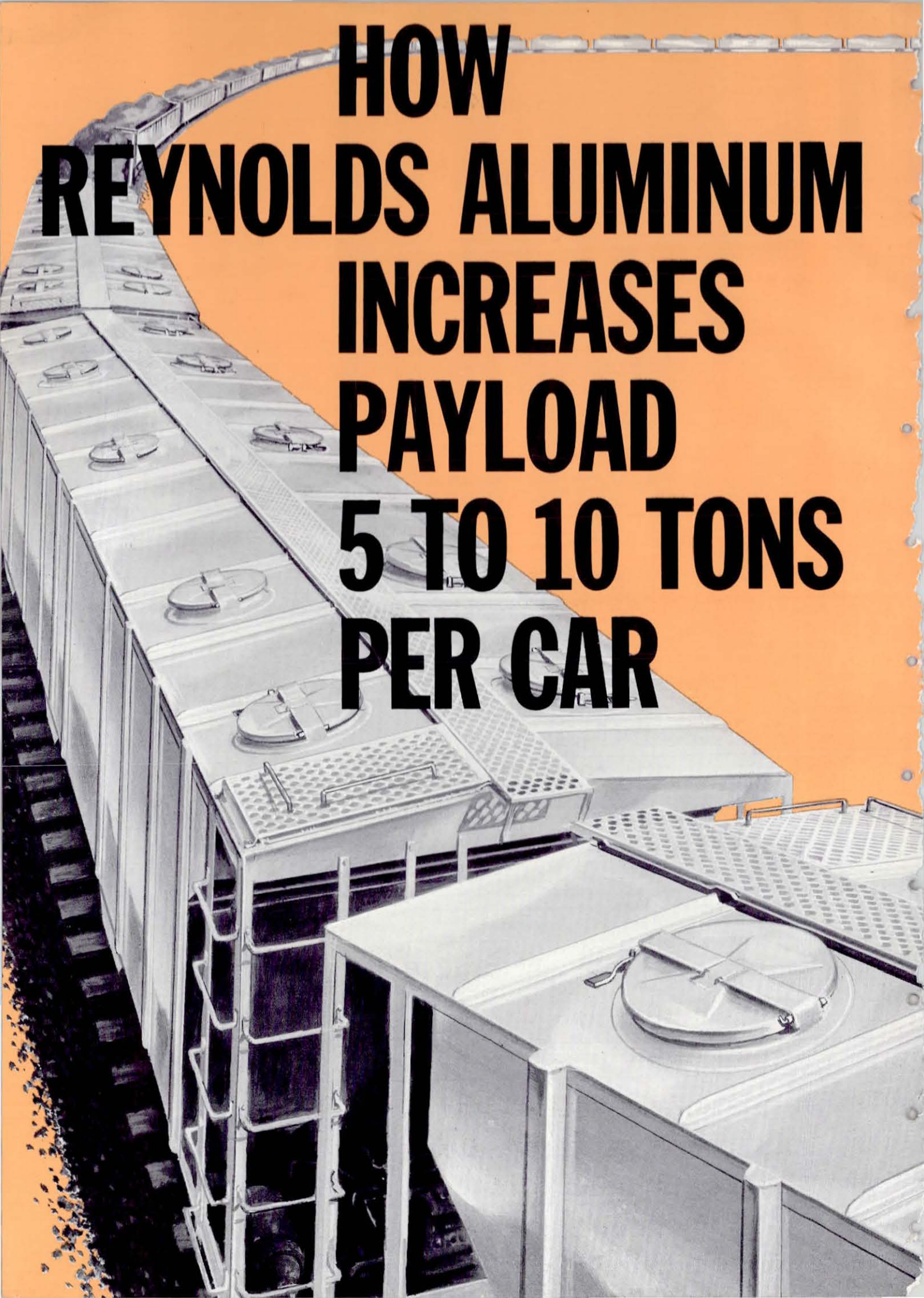
# NOW! 100 Ton Payload Hopper and Gondola Cars made with REYNOLDS ALUMINUM



*Here's what this important breakthrough means for the railroads:*

**Bigger Payloads**
**Better Return on Car Investment**
**Lower Maintenance**
**Reduced Operating Costs**

# HOW REYNOLDS ALUMINUM INCREASES PAYLOAD 5 TO 10 TONS PER CAR



# Strong, Lightweight, Rustfree Aluminum Reduces Car Deadweight, Cuts Maintenance, Increases Profit in Hopper and Gondola Cars

More than 2,000 hopper and gondola cars with bodies of Reynolds Aluminum are now in service on American tracks. These cars *carry at least 5 tons more revenue-producing freight* than comparable steel cars! And, depending on the cargo, this payload gain is as much as *10 tons* per car. Strong, lightweight, rust-free aluminum is the key to this bonus. These cars weigh less, so they can carry more within rail weight limits. And they earn that much more revenue every trip.

### Now Possible—100 Ton Payload Cars

In fact, aluminum now makes it possible to build a 101 ton payload gondola car for coal service. It is the only practical material that's strong enough, rigid enough—and light enough—to give the car designer a "box" that will carry over 101 tons of payload within the total weight limit of 251,000 lbs.

Aluminum's weight-savings can work in two ways: You can have an aluminum car that is the same size as a steel car—but with less deadweight and increased operating economies. Or, you can build a bigger aluminum car which weighs the same as a smaller steel car—with greater payload and increased car revenue.

### Major Savings in Maintenance

Aluminum cars pay off in service, too. Because aluminum resists corrosion and will not rust, aluminum car side sheets can be expected to serve longer with less maintenance.

The aluminum cars never need painting for protection, and they are easy to maintain and clean, even when handling such corrosive materials as salt, coal, cement, and many other bulk cargo commodities.

The new aluminum hopper and gondola cars cost somewhat more initially when the price of the basic metal is considered alone. However, the owners expect them to earn that difference back—in higher payloads—in just a few years. Maintenance savings are just that much more bonus.

There's a benefit waiting at the end of the aluminum cars' long life, as well: The aluminum scrap can return an important slice of the original cost to the owner.

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The aluminum hopper and gondola cars were not born overnight. It took many years of intensive development work by Reynolds engineers and railroad teams—and long experience in producing aluminum for railroad service. Now, thanks to this effort, the railroad industry can look forward to greater car earnings, and important savings in rolling stock service.

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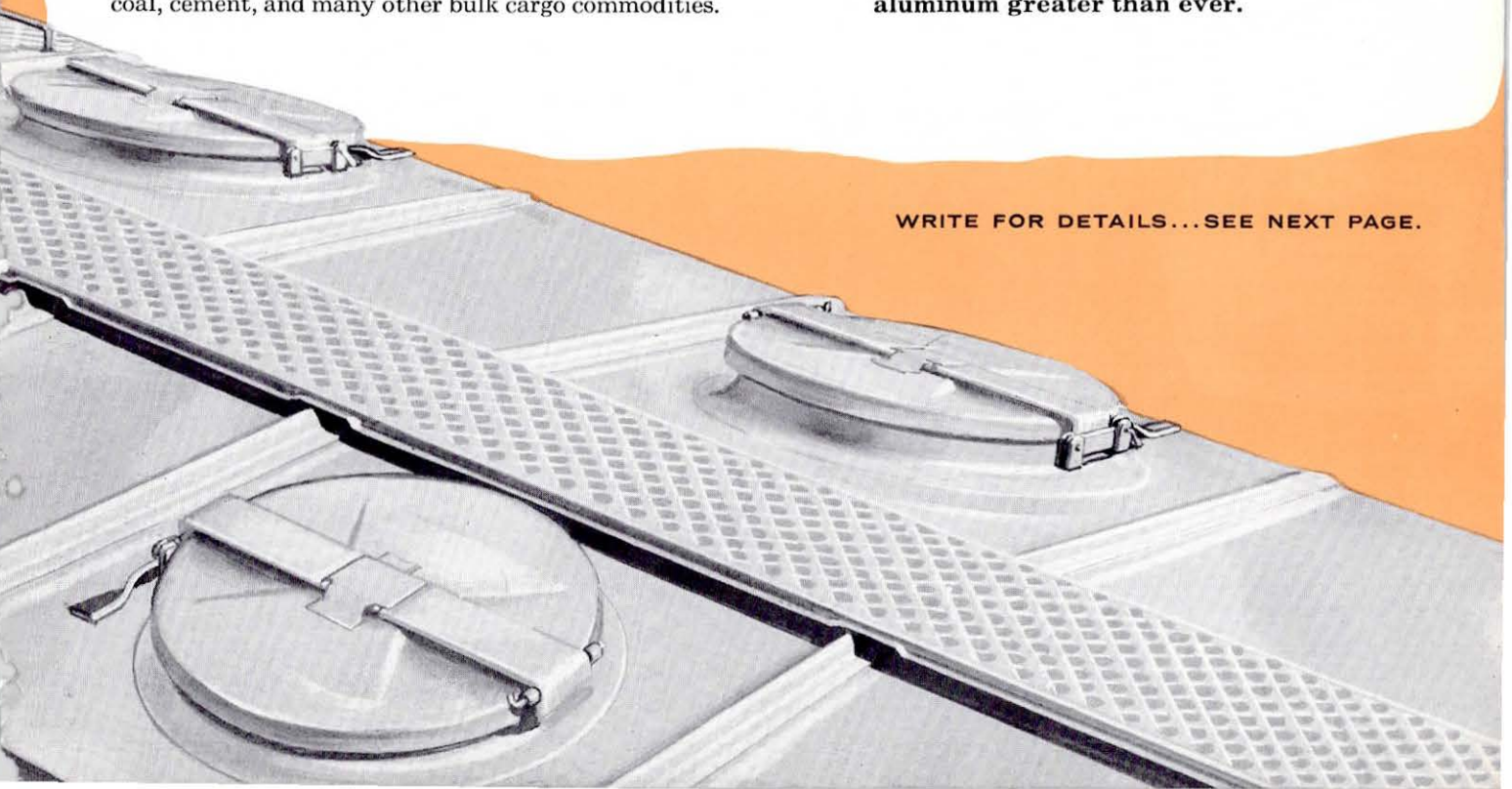
4. **Reynolds Aluminum railroad car stock prices make the economic advantages of aluminum greater than ever.**



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# *Geared to Serve the Railroad Industry with Aluminum and Aluminum Know-how...*

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The new hopper and gondola cars are but the latest in a long list of rail equipment improvements that light, strong, rustfree Reynolds Aluminum has made possible.

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For many years, Reynolds has supplied quality aluminum to the railroad industry, and it has supplied aluminum *know-how*, as well. Reynolds Engineering Department, with its wide experience in railroad applications, offers specialized technical assistance on the design and fabrication of rail equipment with aluminum.

For details on aluminum for any of these applications, or for information on technical and engineering services, contact the people who know aluminum for the railroad industry—Reynolds. Call the local Reynolds office, or write *Reynolds Metals Company, P. O. Box 2346-TL, Richmond 18, Va.*

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use them so it is cheaper and more sensible to move them by truck to the market—usually a building supply yard—directly from the factory. Freight of this kind will never be regained by the railroads because even though the roofing factory usually is served by rail to bring in the asphalt, felt and granules, the customer is not interested in trundling down to a team track at his own expense to bring some shingles into his building supply area—it is just too slow, too bothersome and too expensive in man hours and inventory investment.

"Competing with this local roofing manufacturer there usually is a manufacturer of a nationally advertised brand of good quality, with a strong sales organization and with one or more plants 500 miles or more distant from your market. He equalizes freight with the local plant that serves you—that is, he absorbs in his sales price the difference between the freight rates and uses the rail carriers because of the long hauls involved. If the short haul rates are cut and the long haul rates increased he is stabbed not once but twice so that equalization no longer leaves a profit margin and he is confronted with certain alternatives: a) give up the market entirely; b) establish local production of his own, or c) arrange with a local manufacturer having excess capacity to produce materials to his specifications and bearing his brand name so he too can deliver by truck.

"There are literally thousands of examples of this kind in our business economy and I am sure you can think up a good many of them without trying very hard, if you just stop to think about America's way of doing business. Finally, of course, the truth is that the only place where class rates really rule the roost, either as classes or exceptions, is in Trunk Line Territory and it is in this territory that railroads have lost nearly all the manufactures, miscellaneous and merchandise traffic. The former poor relations in the South and West use commodity rates tailored to the job and, of course, usually have lower production and operating costs—perhaps because they are more self-reliant than their lately hard-pressed cousins in the East.

"Undoubtedly, there is a way to improve the railroad competitive position—vis-a-vis other forms of transportation which give them intense service competition—but it certainly is not as simple as the formula laid out in your article."

## Reply to Mr. Haley

Mr. Haley says, quite correctly, following his numeral (1) that railroad terminal costs bear more heavily on short-haul traffic than on the long-haul. The "optimum" scale of rates we suggested in our article—and portray again in the chart on page 34—gives full weight to these high terminal costs. It will be noted that the "optimum" scale shown on the chart begins at approximately 22¢ per 100 lb at zero miles. Such a rate would produce $132 for a 60,000-lb carload—more than sufficient to defray average terminal costs (both initial and final).

Following his numeral (2) Mr. Haley says that competitive conditions in France differ from those in the U.S.A., which is an obvious fact. We did not suggest that the French scales of rates be adopted in the U.S.A. It was the French *approach* to the problem—that of constructing an economic scale for a minimum load of 10 tons, and another for each higher minimum—that we suggested.

What we now have in the U.S.A. are (1) a lot of carefully and skillfully constructed "hand tailored" scales, embracing most of the commodities that move in important volume by rail; and (2) our class rate scales and a vast number of "exception" ratings and other commodity scales with the "shape" of the class rate scales. Typical examples, Classes 17½ and 22½, are portrayed in the accompanying chart. How widely these class rate progressions deviate from a scale constructed to maximize traffic and net earnings appears evident from the chart—that is, of course, if the so-called "optimum" rate line on the chart has been accurately computed.

Mr. Haley then proceeds after his numeral (3), to explain how in the U.S.A. we have much decentralized production and inter-plant competition, which is not so in France; and that it will be mighty hard for railroads to pick up traffic in 100-mile hauls. Our "optimum" rail rate line (if it were compared with actual costs of truck operation) will be found to be rather ineffectively competitive with trucks between A and B—or up to a distance of about 300 miles.

We fully agree with Mr. Haley that traffic in the 100-mile radius usually belongs economically to the trucks. It would be uneconomic for railroads to try seriously to compete in this radius, just as it is uneconomic for them *not* to compete vigorously (say) in the range of 300-800 miles. The chart indicates that, with classes 22½ and 17½, the railroads do not compete seriously in this range, even though their relative cost advantage enables them to do so.*

Mr. Haley asserts that we did not put any "taper" into our long hauls, contending that it was unnecessary. On the contrary, in charts I and VI in our Aug. 27 article—as well as in the chart reproduced herewith—we show an "alternative optimum" ($CD_1$ on the accompanying chart) which can incorporate just as much "taper" as the long-haul shippers may need in order to reach their markets. But it would scarcely seem to be smart to cut down the long-haul rates to a bare-bones cost level (or even less), which the class rates sometimes do now, without any showing of need.

**One of the country's leading railroad traffic executives has said, in private, that there appears to be a large field for railroad traffic expansion in the "medium distance" (200-800 mile) zone, provided fully loaded large-capacity cars are used—with rates reflecting the relative economy of such handling. Our examination of available figures on comparative railroad and trucking costs strongly confirms this belief.**

We detect no fundamental difference in opinion between ourselves and Mr. Haley. It is merely a question of which end of the dog you grab first—the head or the tail. Mr. Haley, as a shipper, naturally approaches the problem, initially, from the standpoint of the customers' requirements. Our inclination is, first, to get the figures on railroad and competitive costs and find out what rates would best fit the economic situation—and, thereafter, find out what modifications the railroads can afford to make to satisfy the customers' needs.

If you consider the figures alone, you could come up with some neat-looking graphs and, perhaps, little traffic. If you consider only what customers ask for, you may find yourself

(*Continued on page 46*)

*The class rates portrayed in the charts in our Aug. 27 article were assigned higher percentages than the correct ones, having been erroneously taken from an out-of-date tariff. The percentages are correctly shown in the accompanying chart. The validity of the criticism of the class rates is not, of course, affected by this error. Every class rate progression is disproportionately low in relation to the railroad and competitive costs in the shorter hauls (i.e., 200-800 miles).

In the 100-mile zone truck costs are usually sufficiently lower than railroad costs (except for very heavy loads or multiple-car movements) to make railroad competitive efforts uneconomic and unprofitable. The function of economically constructed railroad rates is not to "put the trucks out of business." Rather, it is their function to divert to the trucks the tonnage they can handle more economically than the railroads can—while holding to the rails the tonnage that can be moved at lower cost by rail.

Such rate-making, in the long run, will be beneficial alike to railroads, trucks and shippers. By reducing average transportation costs of both types of transportation, it should tend to minimize the incentive to further decentralization of production.

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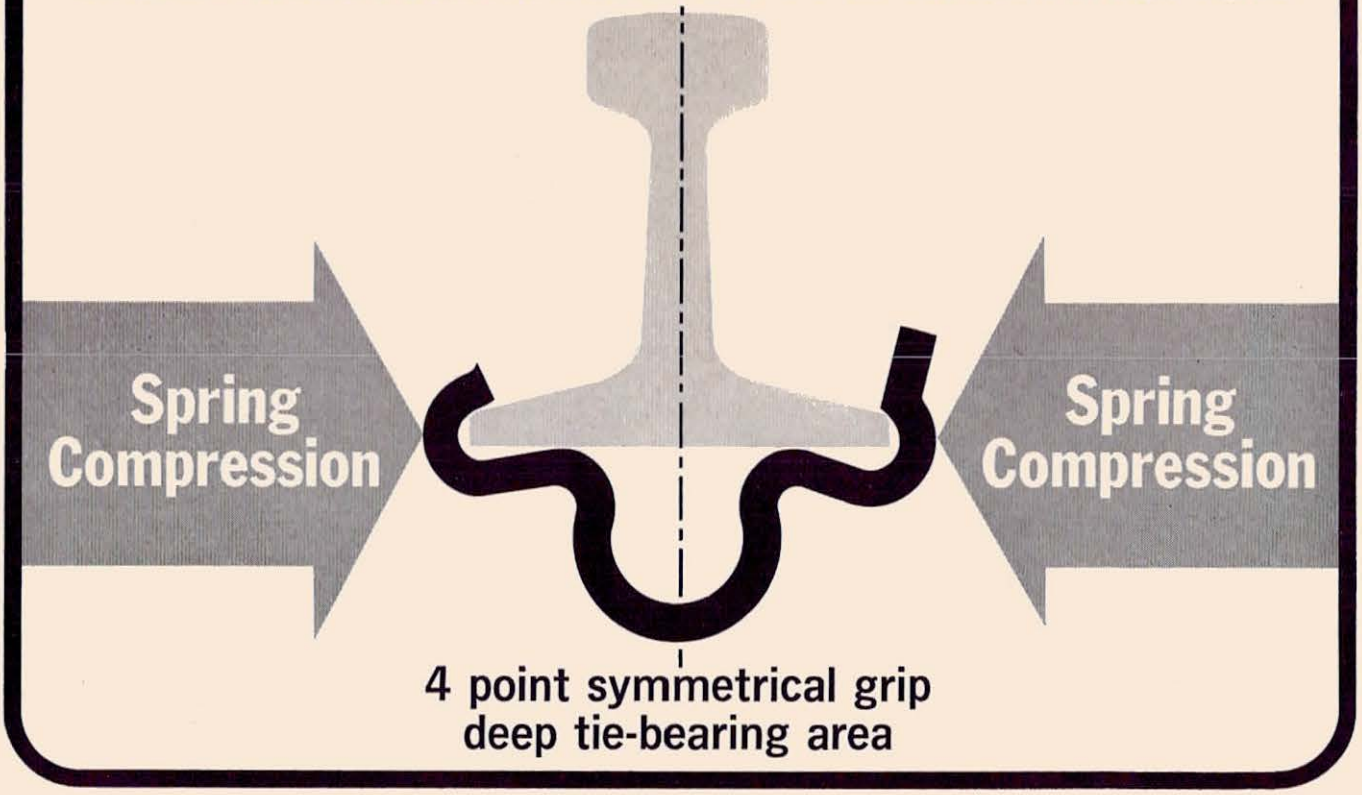


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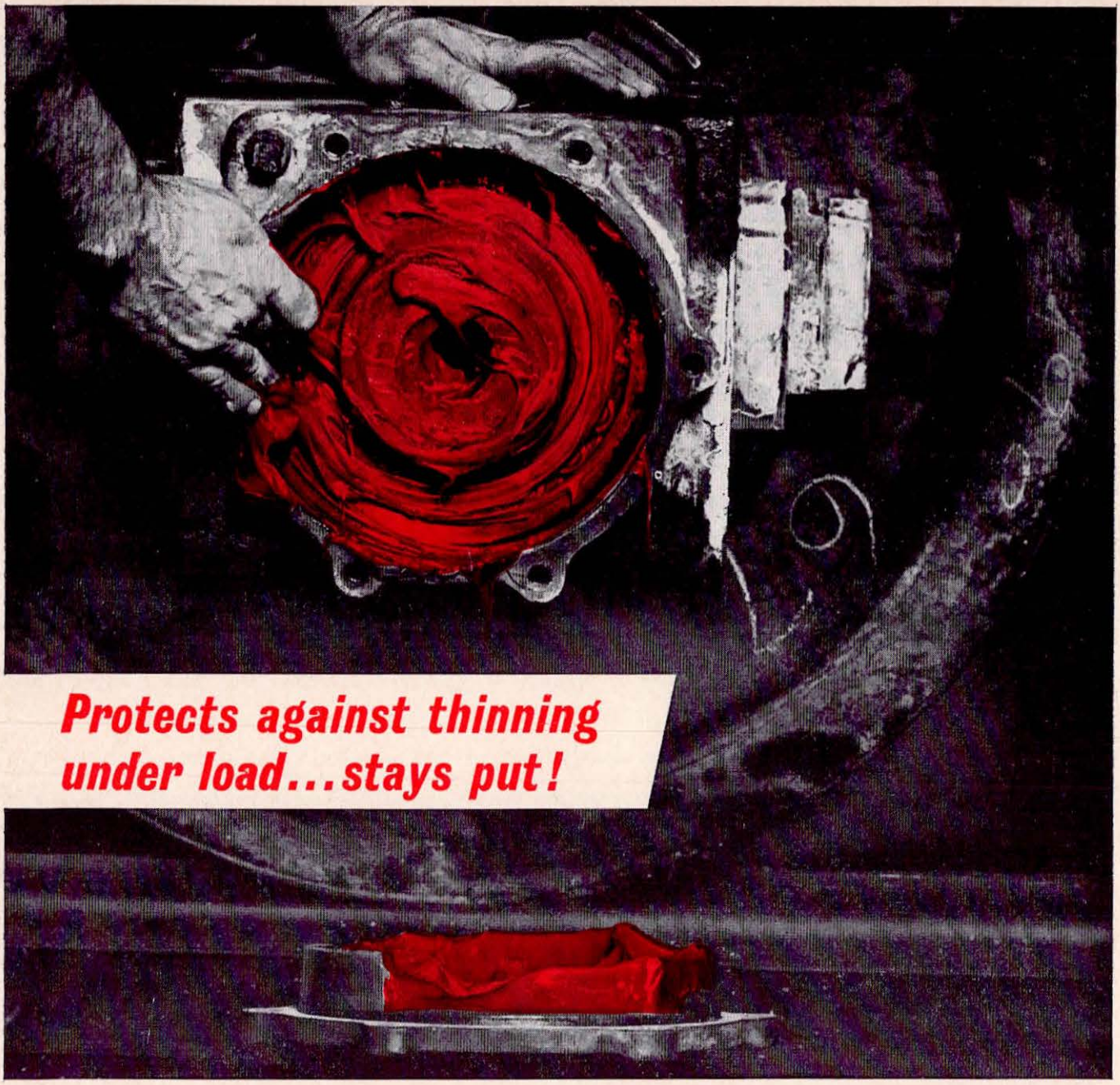

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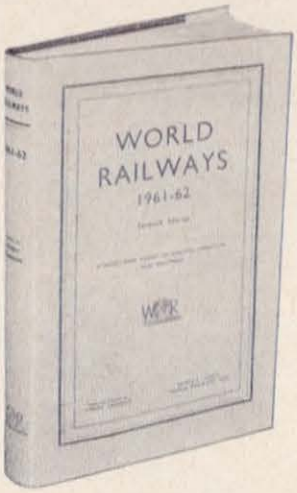


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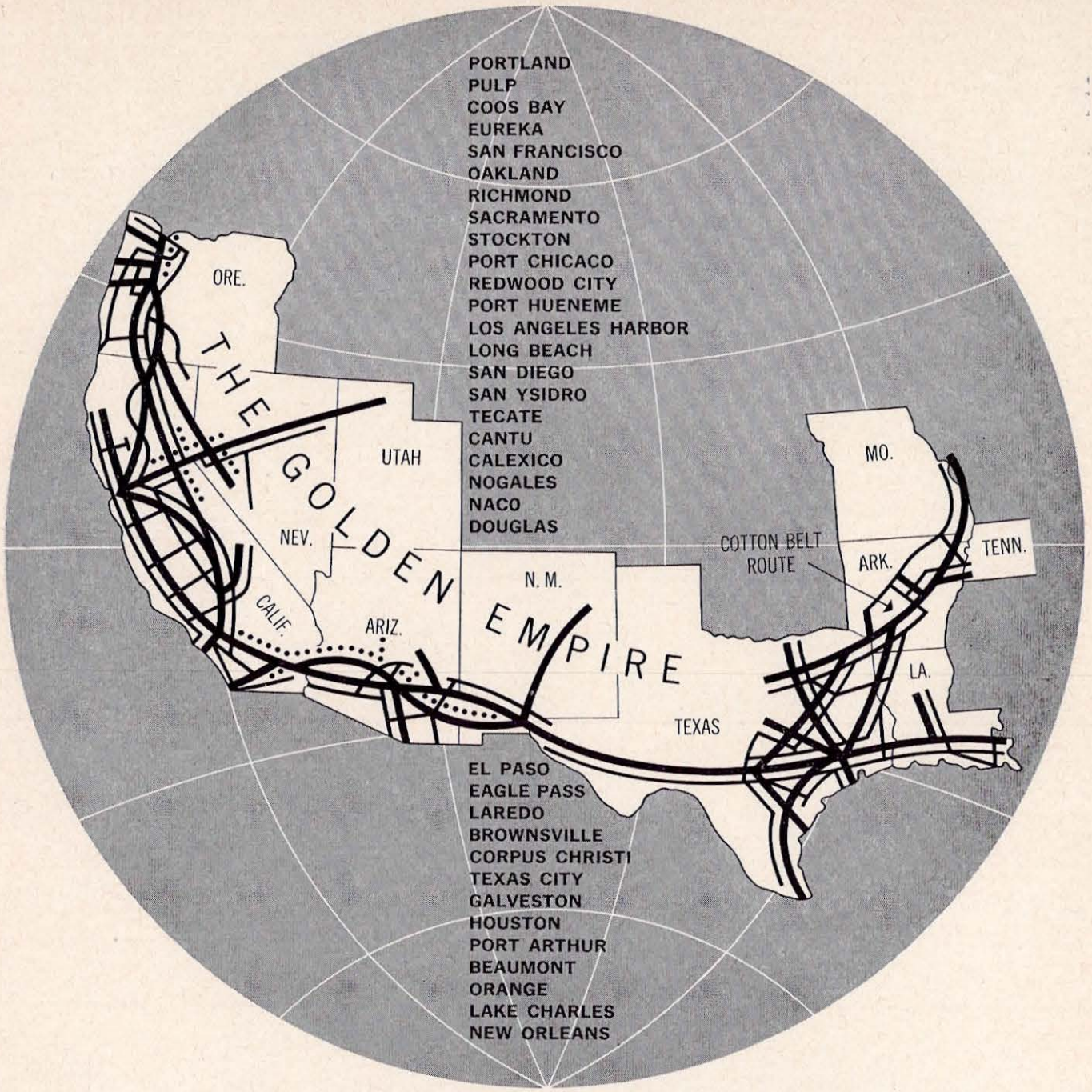


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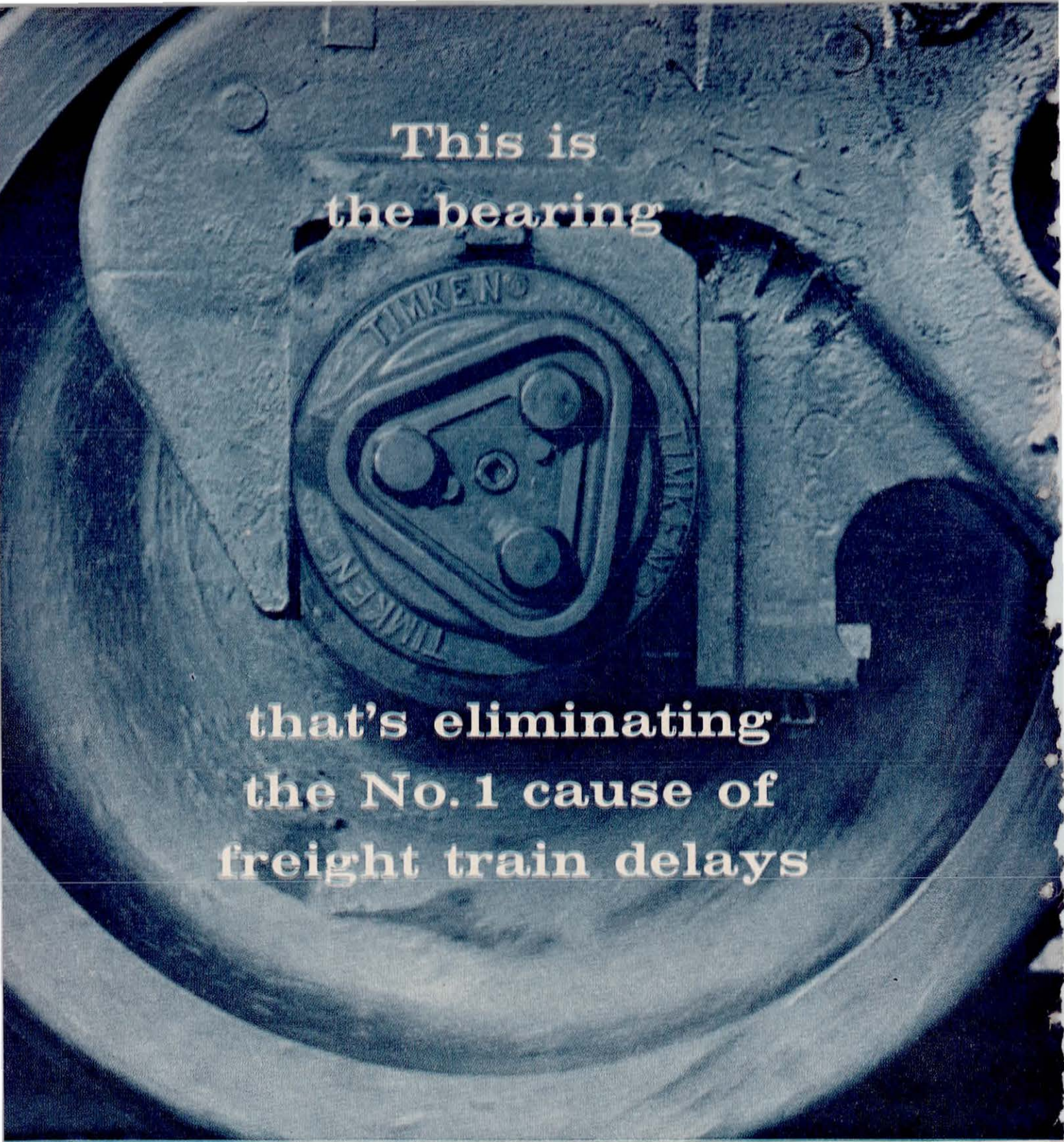


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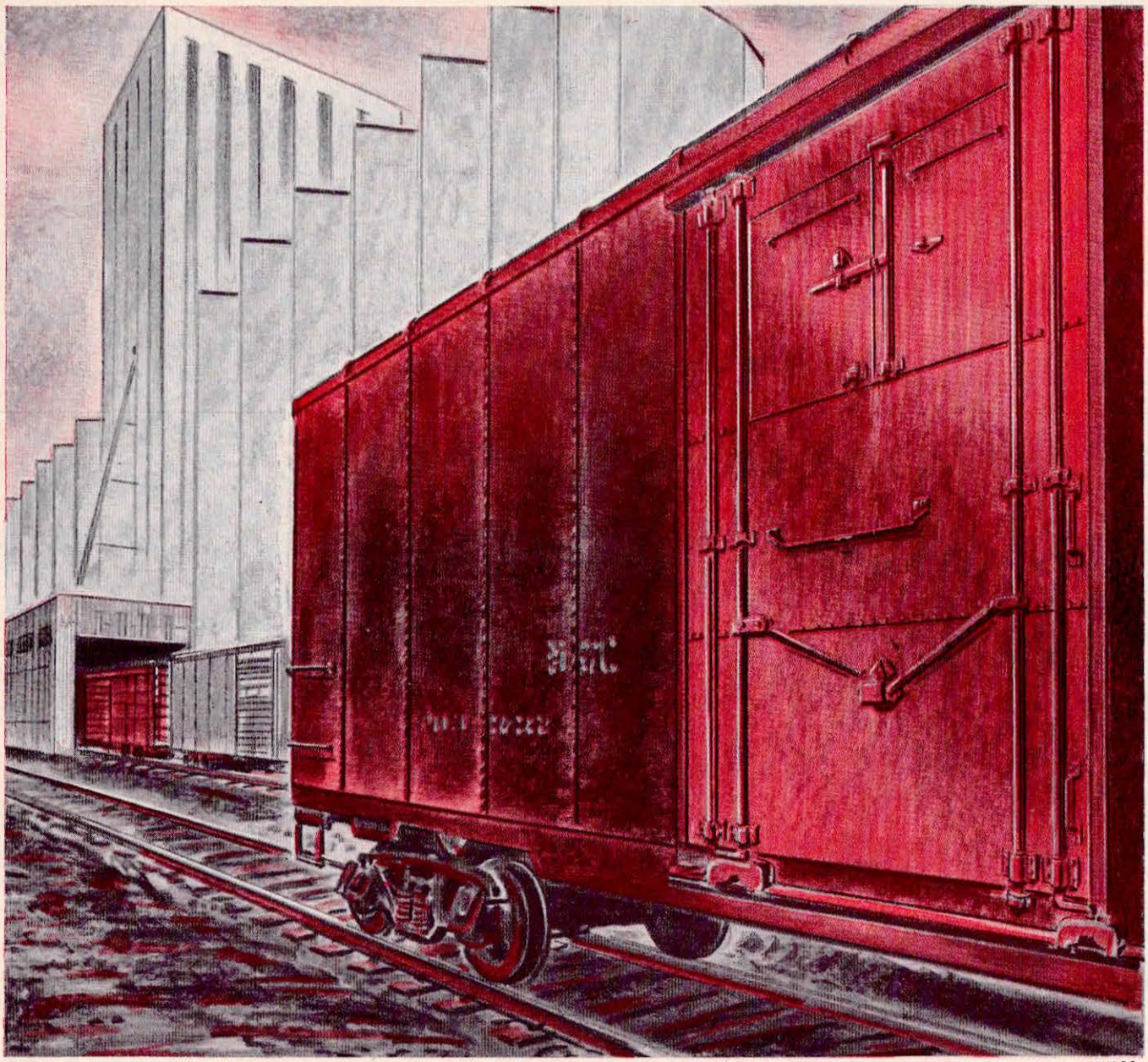

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## CLASS RATES ANTI-ECONOMIC? (*Continued from page 39*)

selling Rolls-Royces at Volkswagen prices and trying to collect Rolls Royce prices for Volkswagens, which latter is what the class rates seem to seek to do from customers in the middle distances.

*How do you construct an "optimum" scale of railroad rates?*—for example, the line ABCD (or $D_1$) on the accompanying chart? You start out with a scale of estimated railroad incremental (or out-of-pocket) costs. Preferably these should be estimates which are closer to the real variable costs than the so-called Form A costs—but you may have to use Form A figures if you expect to run into litigation. These costs will vary with the load per car, and with the type of equipment. They will not vary with the value of the goods except for the higher loss and damage factor. Then you get yourself a comparable set of estimates of truck costs.

If you plot these two series of costs on a piece of graph paper, you will find that your railroad costs will exceed the truck costs up to 200 miles or so. In this zone you would make your tentative railroad rate scale at a modest percentage above railroad variable costs (no use losing money trying to compete with truck costs where the latter are unquestionably lower).

At 300 miles, more or less (depending on the load per car) you will find that the truck cost line will go above your railroad cost line and progress at an increasing ratio above railroad costs for all longer distances. At this point the optimum railroad scale no longer has to be held down near to the "bare bones" railroad cost level, but can proceed along sufficiently under the truck cost line to offset railroad "service disabilities."

But competitive truck costs are often not the only competitive factor in the longer hauls. You may have barge competition on some of these hauls—or you may have important producers with hauls of 600 or more miles to reach markets served importantly by producers at much shorter distances from the same markets.

Here it is not the competition of truck transportation that will be the controlling factor, but the effect of truck competition for 200-mile producers against the producers who are 600 miles or more away from their markets. The dotted line $CD_1$ in the chart provides for this contingency. The point $D_1$ can, if necessary, go down almost to the level of variable costs—if required to keep producers of important tonnage in business.

From the foregoing considerations, it might almost be said that it would be safe to leave the construction of effective rates to the cost analysts up to about 600 miles; but beyond 600 miles you will need the skill of rate men with market knowledge of all important shippers, in order to keep them in business, in competition with short-haul producers of the same commodities. You might be "justified" in seeking a mark-up of 100% above your variable costs in these long-haul rates, but a much more modest mark-up will often be more profitable. A $200 profit per car (i.e., revenue above costs) on 100 carloads is less money than $50 per car on 1000 carloads. This is the consideration that the "fully distributed cost" advocates always overlook. It is a large *margin* of profit they want—not a large profit overall. They believe it is preferable to make 20% profit on a $1000 volume than 5% profit on $1,000,000.

*Some long-haul shippers insist that, if rates are reduced on short hauls, they too must receive the same relative reductions, or they will be placed at a competitive disadvantage.*

The fallacy of this contention, in many situations, was fully explored in an article in RA, June 25, p. 58. Actually, in most of these situations, the short-haul tonnage is now moving almost exclusively by truck. In other words, the long-haul shippers are already confronted with the competition of low freight charges (by truck) for the short-haul shippers. Whatever rate concessions the railroads make to the short-haul shippers to get part of their business will, thus, not confront the long-haul shippers with any freight charge disadvantages they do not already have to contend with. In fact, revising freight rates to get some of these medium-distance hauls on the rails, at a profit, will tend to reduce the revenue needs that the railroads otherwise would be forced to try to collect from the longer hauls.

The contention that reduced rates (but with a definite profit in them) for the medium-distance hauls would place long-haul producers at a disadvantage can be accepted only if present railroad medium-distance rates are still moving the bulk of the available tonnage.

Putting in rates that will get the business, to replace "paper rates," is advantageous alike to both long-haul and short-haul shippers and, of course, to the railroads.

Rates that are really "optimum" for the railroads will turn out to be optimum also for all shippers—long-haul as well as short-haul. They are also the optimum rates for the whole transportation industry—since they will tend to divide the tonnage on an economic basis between rail and highway, not having either agency trying, at minimized profits, to invade the areas where the other agency is economically superior.

But the class rates themselves, and other rates modeled after them, are a big obstacle set up against economic pricing of railroad freight service—and the sooner the railroads, with the cooperation of their customers, begin to consider substitution of some more realistic scales, the better it will be for all concerned.

We don't disagree with the specific points made by Mr. Haley—but we do not believe he has shown that the class rates are satisfactory, or that our suggested approach to a revision is impracticable or unrealistic. We have other correspondence on this vitally important subject, and will continue the discussion—if readers indicate their interest.

It is the purpose here to promote discussion—not to state final conclusions, and the opinions expressed are meant to be tentative—subject to revision if further evidence seems to lead in that direction.

**—Editor**

# T&P Wants to Buy Three SW Roads

Texas & Pacific President J. T. Suggs and C. E. Ingersoll, president of the Muskogee Co., announced agreement on terms for sale of Muskogee's interest in three Southwestern railroads to the T&P. Muskogee's 99% stock interest in the Kansas, Oklahoma & Gulf, the Midland Valley, and the Oklahoma City-Ada-Atoka railroads will go to T&P for $9.5 million if the transaction is approved by the T&P and Muskogee boards and if Interstate Commerce Commission approval is forthcoming.

T&P Vice President J. J. Finegan described the three roads as "fitting into T&P's operations very well," but went on to say that no plans are current for any changes in operation or management of the properties should they be acquired by T&P.

The 328-mile KO&G serves an area from Denison, Tex., to Muskogee, Okla.; the 335-mile Midland Valley's territory is from Wichita, Kan., to Fort Smith, Ark., and the 104-mile OCAA extends from Oklahoma City to Tupelo, Okla.

# Missouri Pacific Truck Line, Inc. modernizes road/rail services with MORE THAN 100 TRAILMOBILE VANS

In a move to broaden and upgrade highway and piggy-back transport services, Missouri Pacific Truck Line, Inc. has added more than 100 Trailmobile Series/70 vans to their growing fleet. In commenting on the modernization program, Mr. Charles Groton, Company President, said, "We looked over a number of trailer makes but we certainly liked what we saw in Trailmobiles."

Trim, modern Trailmobile Series/70 vans are drawing this kind of praise wherever they are used. A very favorable strength-to-weight ratio . . . a simple trouble-free tandem and unusually strong side structure contribute significantly to the reliable, low cost performance of this equipment. And the rugged, new upper fifth wheel—four times stronger than the previous design—provides exceptional strength and versatility for tandem tractor and piggy-back operation. Good solid construction means less maintenance and down time—and this can readily be translated into higher revenues and better customer service.

Missouri Pacific's new units are big 40′ C-78 composite aluminum and steel vans which put substantial extra capacity at the disposal of their shippers. TR-1027

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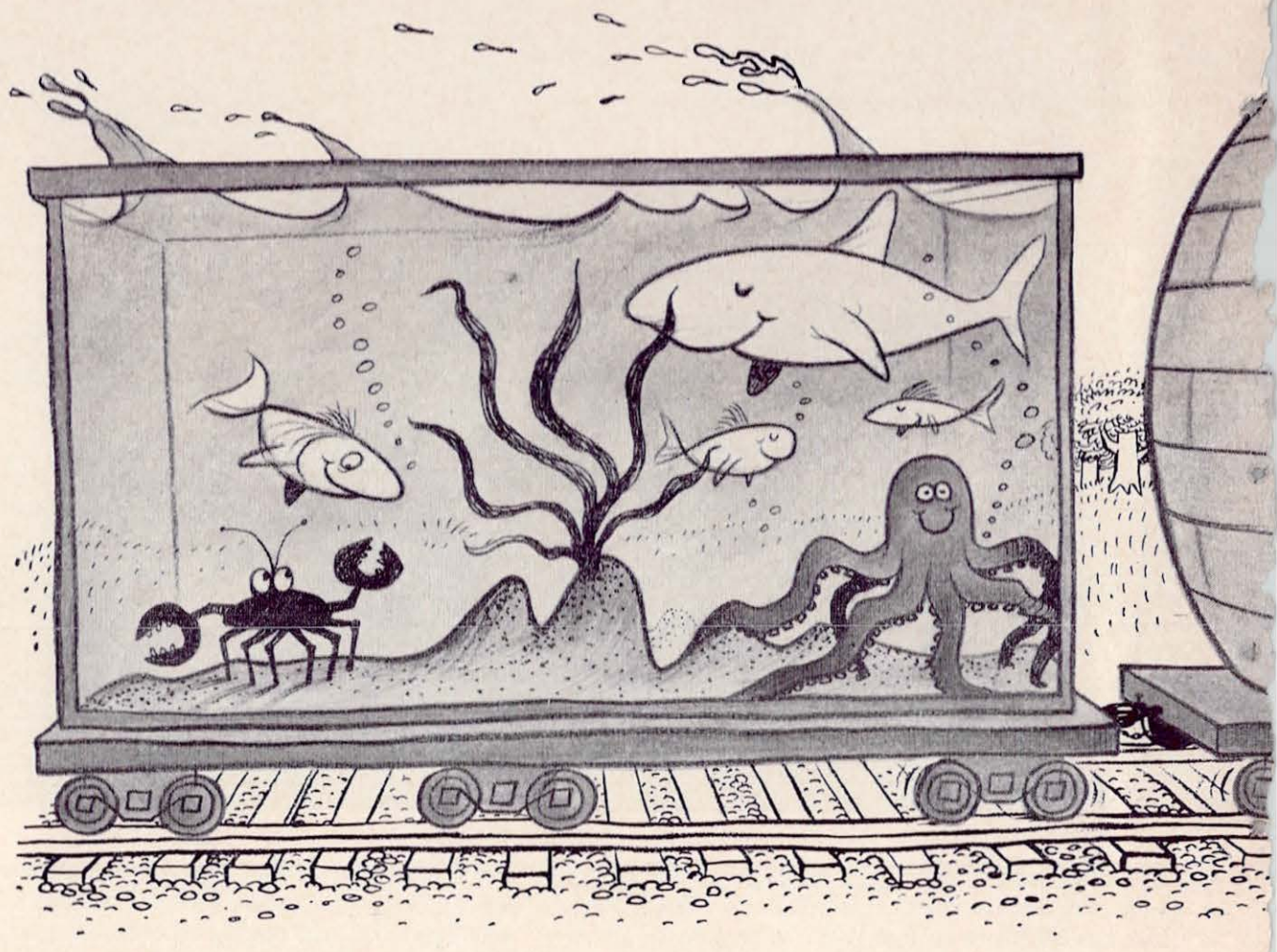

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Our "Super-Cushion" box car with a special hydraulic shock absorption device that "soaks up" damage-producing shocks.

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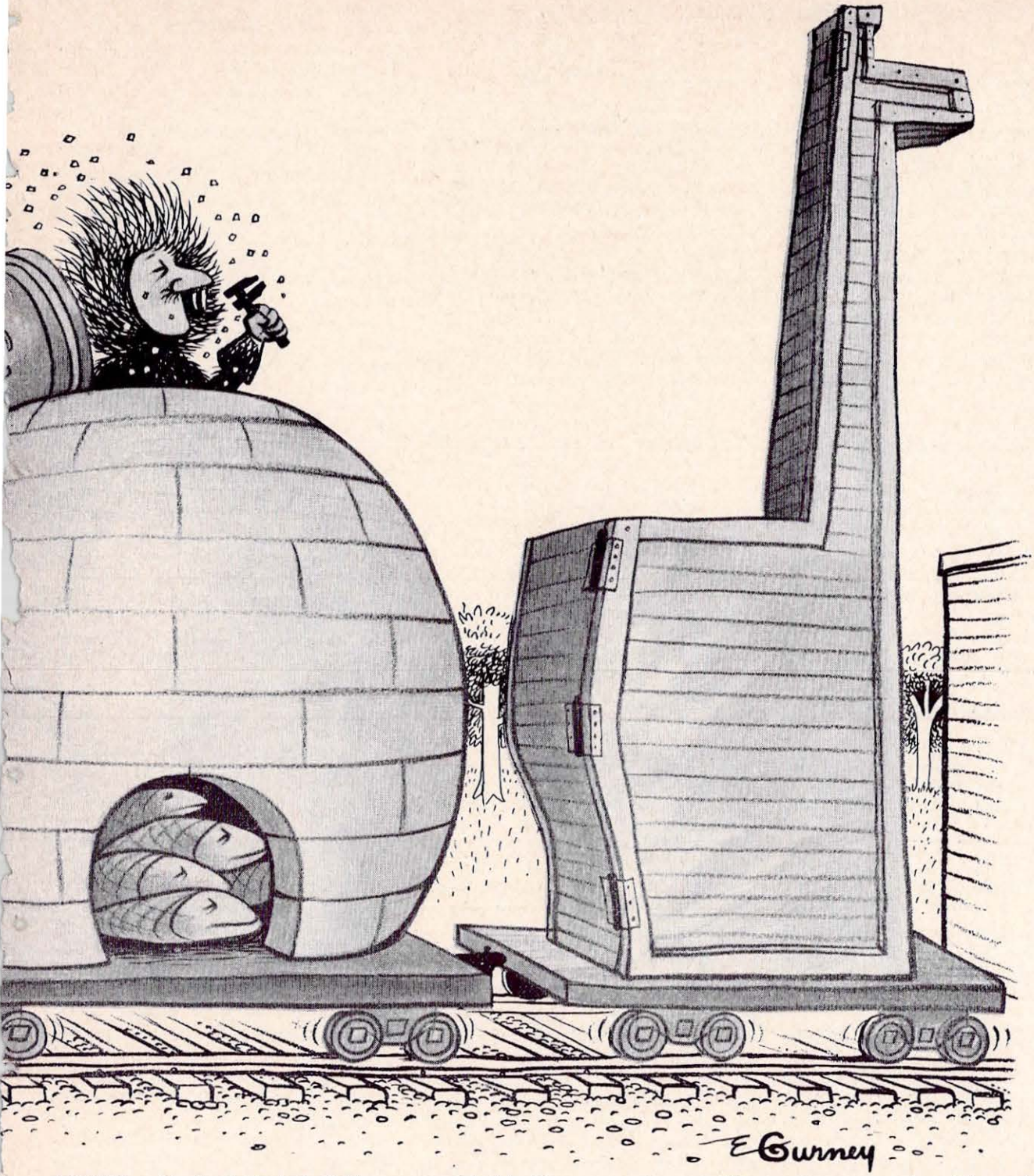


(10,000 cubic feet) that skylights are provided in the roof to illuminate the car's interior.

Our special container-carrying car in Rail-Highway Service, offering the best of both rail and highway transportation in one package.

Our open type, lumber-hauling "chain car" that eliminates as much as 80% of manual loading costs, one shipper said.

Most of these special-purpose cars were designed by Southern in our never-ending effort to increase our *usefulness* to our customers. Many new types of freight cars have been introduced by Southern Railway in recent years. Many more are coming. We are breaking with tradition to lower our customers' packaging, handling and transportation costs.

Like we said, don't bet on the future. The fact that something has "never been done" means to us that maybe it's time to do it!

**SOUTHERN RAILWAY SYSTEM**

LOOK SOUTH LOOK AHEAD

WASHINGTON, D. C. *"SOUTHERN'S ACCENT IS ON YOU!"*

## BIGGER CARS WOULD HELP (*Continued from page 13*)

cars, and presumably will continue to do so until the carriers pass on part of their savings in the form of a rate adjustment.")

"Reasonable rate adjustments" should be possible with greater capacity cars, as incentives for rail shipment of some commodities, thinks D. S. Harwood, traffic supervisor, Central Illinois Public Service Co., Springfield—assuming, presumably, the freedom mentioned by Mr. Wardenburg to make such adjustments.

"Incentive rates and minima [with big cars] are the only media that can be employed by rail carriers" to provide the lower transportation charges needed by industry to offset its "recognized cost squeeze," according to N. S. Worrell, vice president—traffic, American Zinc, Lead & Smelting Co., St. Louis. Such rates, "even materially lower than normal rates," would, he adds, "permit re-acquisition of traffic previously converted to private carriage and other forms of transport, and preclude conversion of other traffic," even to "pipe lines for dry, fine particle commodities."

### Some reservations

As stated at the outset, however, the generally expressed approval of bigger cars was accompanied by some rather strong reservations, both economic and technical.

One "economic" doubt was that expressed by W. W. Clark, manager of routing, Pittsburgh Plate Glass Co., Pittsburgh: "I believe railroads would not be able to supply all shippers with high-capacity cars on an equitable basis, thus creating an unequal distribution such as exists on DF cars, Airslide cars, covered hoppers, etc."

"Carriers also need to have an adequate supply of 'standard' cars to take care of customers who can only use 'normal' carload quantities," says A. J. Larson, GTM, Masonite Corp., Chicago.

C. B. Culpepper, secretary and general manager of the Atlanta Freight Bureau, emphasizes the same point in greater detail. While answering all questions affirmatively, Mr. Culpepper "urges the railroad industry to bear in mind that for a long time to come regular box cars will be needed for a substantial segment of industry. . . . Certain movements of merchandise freight cannot be handled in trailers or containers. There are other movements that require standard box cars."

If, Mr. Culpepper continues, "the effort to build and put into service specialized equipment . . . results in letting standard 40-ft and 50-ft box cars deteriorate without proper maintenance and upgrading . . . the railroads will be doing themselves a disservice as well as discriminating against a portion of their customers they should protect."

A. F. Lane, director of traffic, Chas. Pfizer & Co., New York, takes much the same view. The trend to bulk handlings wherever possible demands such forward thinking and response by rail management," he writes. "Unfortunately, not all consignees can accept such 'jumbo' sizes. Special car fleets must be flexible to meet needs of the 'intermediate size' shipper and receiver of bulk material. This is a problem which vexes supplier and carrier, but which must be met if we are to reduce overall cost of handling and packaging and still retain traffic on the rails."

In another economic reservation, T. H. Egan, Jr., manager of purchasing and traffic, General Latex & Chemical Corp., Cambridge, Mass., suggests that "efficient use of big cars will require more rigid enforcement of existing rules pertaining to loading in direction of home line"—on the natural assumption that roads most able to generate large quantities of bulk traffic will be the ones to put big cars into use.

And Oliver Plymate, traffic manager, Butler Welsh Grain Co., Omaha, fears that rates proposed in connection with big equipment "will result in preferential treatment between large and small shippers, thereby gradually putting the small shippers out of business." The carriers, he adds, "cannot exist on big shippers alone."

What may be termed "technical" reservations about big cars relate principally to problems of handling them on railroads or in shippers' plants.

For example, "industry as a whole will probably have to make changes in mill or plant layouts before larger cars can be accommodated," in the opinion of J. N. Lind, director of transportation, Armco Steel Corp., Middletown, Ohio. W. J. Edmonds, GTM, Granite City Steel Co., Granite City, Ill., also "questions if there are sufficient industries whose plant railroads would accommodate such cars," though he feels "there is no doubt that shippers and carriers able to use them would profit." L. F. VanKleeck, traffic manager, Brown Co., Berlin, N. H., likewise thinks "such equipment would be advantageous," but believes its "flexibility" would be somewhat limited to industries having trackage facilities able to handle it.

Storage facilities present another problem, in the opinion of R. T. Smith, director of traffic, Davison Chemical Division of W. R. Grace & Co., Baltimore. Where ample storage is available, as perhaps on plant-to-plant movements, he thinks big cars could be more efficient, but "some customers may take time to adjust their storage."

The railroad industry's own ability to handle high-cube, high-capacity cars with gross weights of 250,000 to 300,000 lb or more is a question raised by L. E. Olson, assistant director of traffic, Great Lakes Carbon Corp., Chicago. There are, he suggests, many branch lines and possibly some main lines where such cars could not be moved. "This creates a competitive situation in industry, particularly on movements involving interchange between railroads. The industry should give a long hard look now, and be prepared for this new development"—which, Mr. Olson thinks, "is a natural for railroads as a low-cost volume common carrier."

To J. B. Deininger, assistant general traffic manager, Archer-Daniels-Midland Co., Minneapolis, the big cars bring up such questions as cost, availability of return hauls, and the chance that "multiples of existing equipment" might (on some traffic) produce earnings equal to the larger cars.

### Some possible dangers

The relatively few respondents who took a negative or doubtful position on one or more of the questions did so principally because of uncertainty as to how generally useful big cars would be.

"The trend toward smaller inventories in the warehouses of those independent distributors to whom we principally sell our wood products definitely limits use of such cars," according to G. R. Hubbard, general traffic manager, Simpson Timber Co., Seattle. Their ability to increase carrier revenue depends, he suggests, on full utilization of their carrying capacity, and this, in his company's case, would be "extremely doubtful."

C. P. Newsom, general traffic manager, Burrus Mills, Inc., Dallas, indicates some fear that big cars may tempt carriers to set rates at too low a level; and Fred Ainsworth, traffic manager, Canadian Husky Oil, Ltd., Calgary, Alta., seems to have somewhat the same feeling. C. L. Wornson, traffic manager, Mason City Brick & Tile Co., Mason City, Iowa, suggests railroads might do better for more shippers by "substantial additions to the fleet of 50-ft box cars with some increase in weight limits to allow loads up to 140,000 lb."

The subject is perhaps best sum-

(*Continued on page 52*)

# U.P. Cushion Ride Boxcars present a fresh new look, moving freight...

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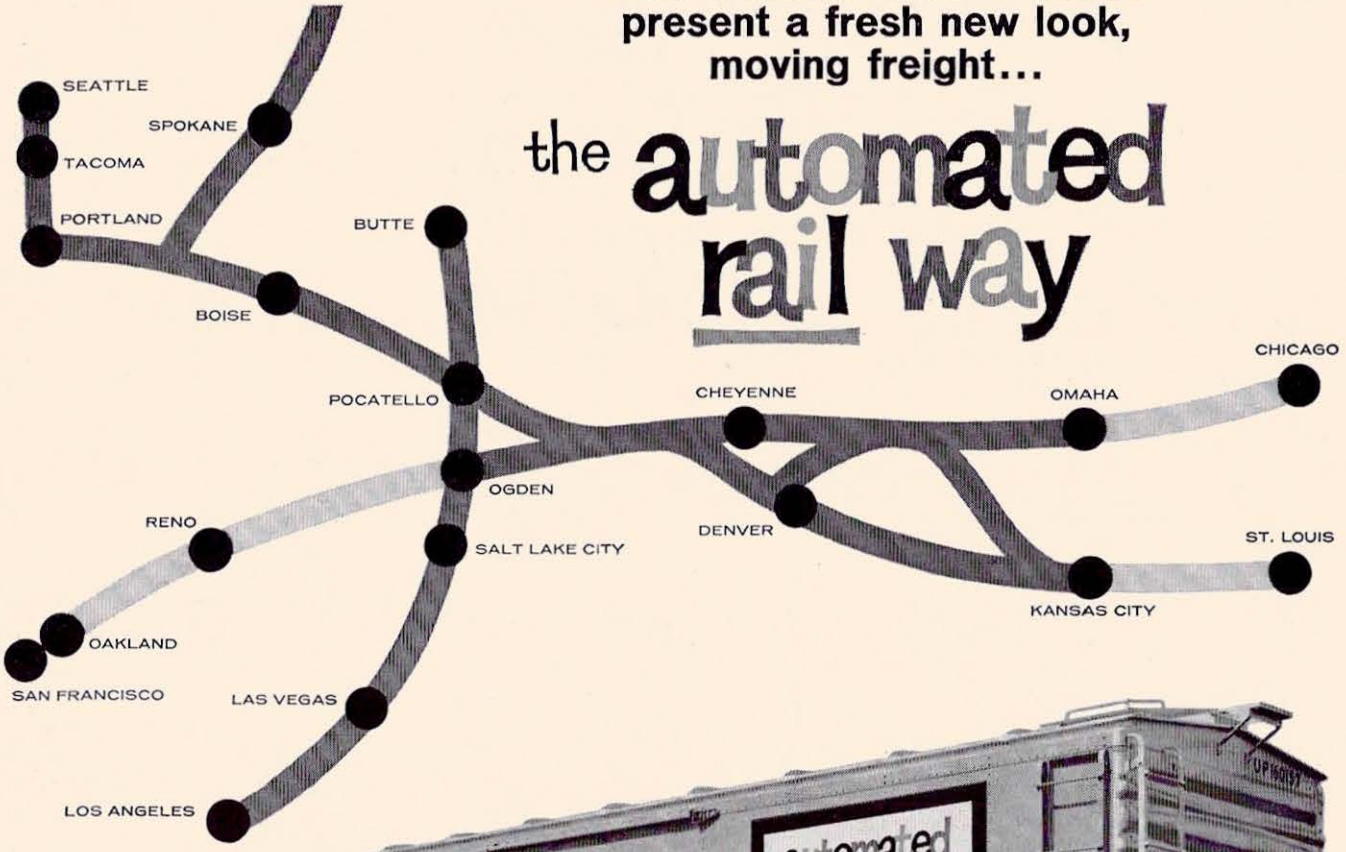


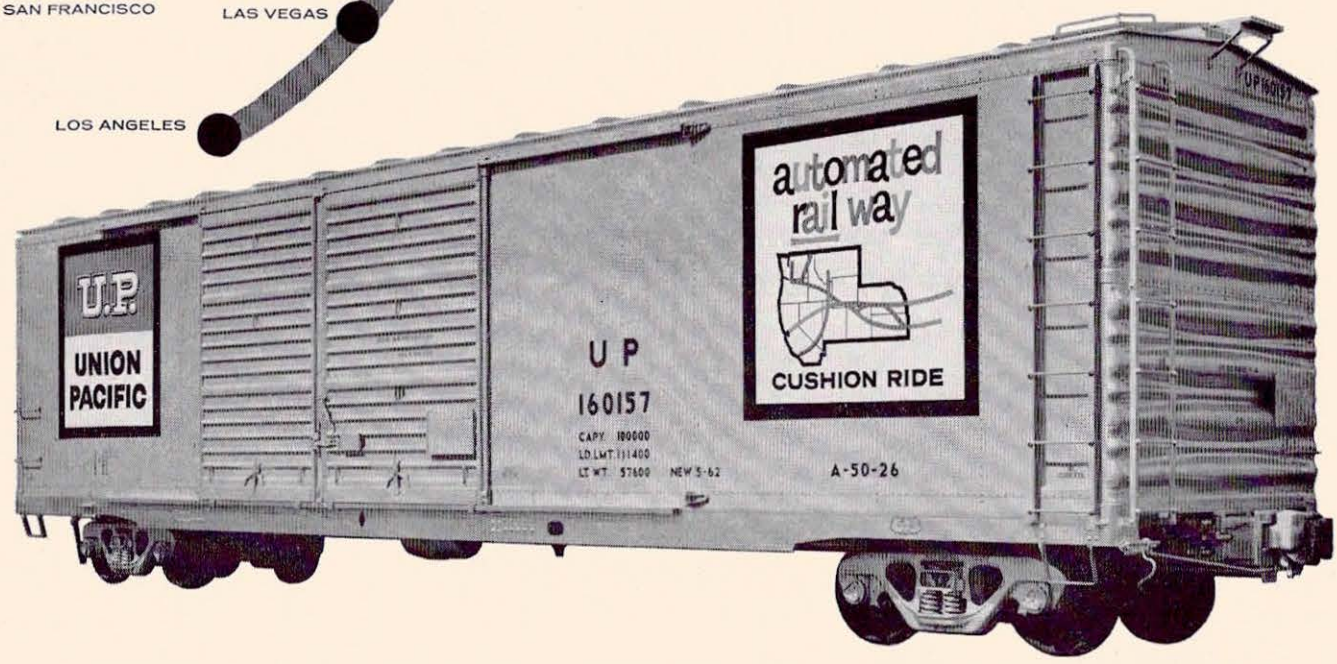


A bright new look shines from this series of cushioned underframe boxcars, constructed to meet the newer needs of today's shipping. Colorful reflective panels against the distinctive yellow sides identify these U.P. "Cushion Ride" cars.

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# RAILROADING AFTER HOURS WITH JIM LYNE

**SECOND MAN IN THE CAB**—D. C. Deering, B of LF&E general chairman on the C&NW, has written me a pretty critical letter (see page 61 herein). He says I prevaricated (only he used a shorter word) when I said here—Sept. 10, page 11—that the railroads are not proposing to remove "firemen" from passenger locomotives. He says his railroad tried to get these employees off of its push-pull trains.

I was, of course, referring to the operating rules program now at issue between most of the railroads and the operating brotherhoods—not to any special program of an individual railroad. I am sure Mr. Deering will agree with me that there is nothing in the working rules program of most of the nation's railroads which embraces doing away with "firemen" in passenger locomotive cabs.

Mr. Deering also questions my veracity when I said that "dead-man control" would have prevented the accident I was writing about—where, actually, it was the "fireman" who took over when the engineer died. The question is theoretical rather than practical, because the railroad industry has no program that I know of for taking the second man out of the cab of passenger locomotives. My information is, however, that one-man locomotive operation is spreading rapidly in Europe—with "dead-man control." It seems to be working satisfactorily.

**ACCURACY MUST BE THE GOAL**—I am in complete sympathy with the demand by readers of a publication that its reporting be as accurate as possible. In a country such as ours, where so many important questions are decided effectively by the electorate as a whole, it is a grave omission for anyone who sets himself up to inform the public to pass along misinformation to them. Errors will occur, but a conscientious reporter seeks to avoid them.

If the second man in a cab sees a red board and reports it as clear to the engineer, it would be hard to find excuses for him. The trouble is that a lot of people who would not think of shading the truth about questions involving the position of physical things (such as trains, or planes) seem to feel much less concerned with the accuracy of what they say in arguments about economic or political questions. But inaccuracy is as harmful in the second case as in the first (though perhaps not quite as quickly fatal).

**PERISHABLES LOADING HEAVIER**—I recently had a look at a compilation by the Car Service Division, AAR, showing loadings of perishables in 1961, compared to 1960 and 1954. There was an increase in the average load per car of 0.83 tons, comparing 1961 with 1960. If 1961's loadings had been what they were in 1960, then 51,574 more carloads would have been required than were actually used. The savings in carloads, 1961 compared to 1954, were almost 286,000.

These figures run into big money—because most perishables are long-hauls; and when you save a carload, the cost reduction runs into hundreds of dollars. The cost saving—comparing 1961 with 1960—may well have run into eight figures. And savings are welcome here, because some of this traffic is not especially remunerative.

The substitution of mechanical refrigerators (or piggybacked reefer-trailers) for standard water-ice cars is going forward rapidly—just one more place where railroad performance is rapidly improving, despite all handicaps.

**HAND-POWERED RAILROAD**—I've heard in a round-about way of a "banana railroad" in Honduras, one branch of which is not doing too well. I'm told that outsiders have got hold of some flat cars which they move along the rails by hand, in competition with the regular railway service—and these hand operators pay nothing for the use of the track. Local opinion being with them, these operators even file suit for damages if company rolling stock collides with their cars.

Hand-powered transportation is taking traffic away from engine-powered movement—not by economic superiority but by political superiority, not paying for its roadway. Anyone inclined to amusement at this Central American situation (assuming the report is true) could get a much bigger laugh by observing a tow of barges on one of our U.S. waterways.

## BIGGER CARS

(*Continued from page 50*)

marized by quotations from answers by E. O. Wood, traffic manager, Imperial Sugar Co., Sugar Land, Tex., and D. L. Koerber, executive secretary, Coal Traffic Bureau, Pittsburgh.

Mr. Wood, conceding that his reply is somewhat "academic," says "each category of the question has factors that bear on another. It is axiomatic, for example, that larger cars can be transported at reduced rates. But if the reduction exceeds carriers' savings, and tonnage remains static, earnings would decrease instead of increase."

For that reason, Mr. Wood continues, it appears to him that the railroads' position as to use of larger equipment should be based on:

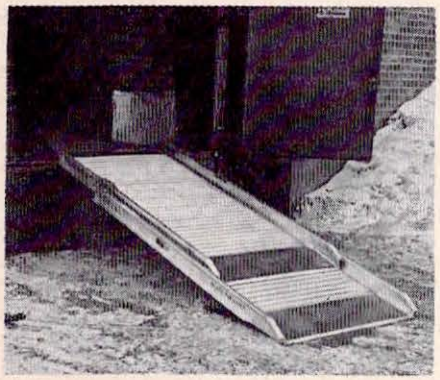
- "Regaining traffic that has been lost to other modes of transport;
- "Holding traffic now moving by rail but susceptible to being lost to other modes; and
- "Observing an overall policy that will permit railroads to regain their dominance as the nation's prime transporter at charges that will reflect a reasonable profit over cost of performing service, and at the same time result in reasonable charges to the public."

Mr. Koerber points to "significant" but "isolated" cases in which he feels high-capacity cars can be definitely advantageous, e.g., the Southern's proposed grain movements and use of the projected "integral" trains. He suggests, however, that the value to shippers in general depends on the extent to which such big cars "can hold or bring down the final delivered cost (including storage, handling and other overhead) of the commodity being transported."

Potential use of high-capacity cars, he feels, may not be "sufficiently diversified to permit general service in both directions." Also, "the obvious savings in switching and line-haul costs would in many instances be offset by the high cost of converting existing unloading facilities, especially for transshipment coal, where millions of dollars are tied up in dumping facilities which cannot now handle this new equipment." He also sees some danger that, "to the extent emphasis is placed on the receiver who can utilize this new equipment, there is corresponding danger of neglecting the one who cannot use it, and this could mean lost tonnage."

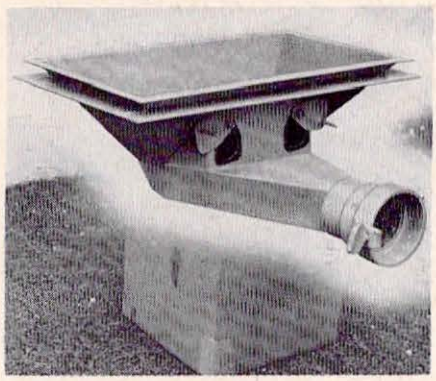
In summary, Mr. Koerber feels "high-capacity cars show significant, though perhaps limited, promise. Of greater importance is the growing imagination and aggressiveness of rail management, which has given birth to these and many other recent innovations."

# NEW PRODUCTS REPORT *(Continued on next page)*



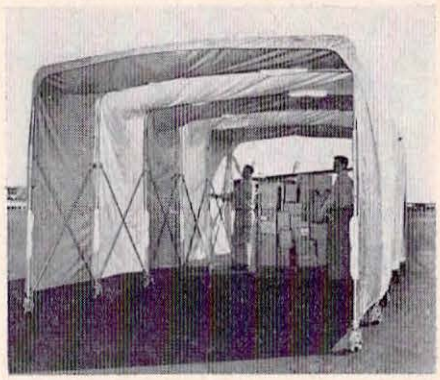
## Telescoping Van Ramp (RA-1)

A new Lite-Line telescoping van ramp, which adjusts from 7½ to 12½ ft in length, is said to fit easily in an upright position inside a van. Constructed exclusively of aluminum, it has a non-skid deck width between curbing of 36 in. and a carrying capacity of 4,000 lb. The telescoping feature is said to make the ramp especially suitable for jobs that require different ramp lengths or angles of incline. *Copperloy Corp.*



## Hopper Car Attachment (RA-2)

No bulky, heavy tools are needed to connect an improved hopper-car attachment, developed for use with Ripco vacuum unloading systems. The attachment is clamped into position. The valves of the dual air control system which regulates the flow of material are said to speed unloading and to eliminate the clogging of material. The attachment also allows cars to be unloaded almost anywhere and eliminates use of pits. *Ripco Air Systems.*



## Mobile Shelter (RA-3)

On-the-spot storage and shelter space for shipping and transportation purposes can now be provided by a mobile, adjustable and collapsible Caprolan nylon canopy. Named "Roll-in-Cover," it is carried on six tubular steel frames 10 ft high by 8 ft wide mounted on ball-bearing casters. Sliding steel crosspieces make it possible to extend the canopy to a length of 20 ft; additional 4-ft sections can be attached if needed. *L. Marino, Inc.*

## Shipping Sacks (RA-4)

Two new plastic-ply multi-wall shipping sacks are designed as packaging for "problem" materials, such as moisture-sensitive chemicals or fertilizers, products with high grease content, etc. Both bags have a plastic barrier wall either between plies of kraft paper or as an inside ply, next to contents. Both have been fully approved by the Food & Drug Administration, and both are available in all basic closure types. *Chase Bag Co.*

## Oscillating Conveyor (RA-6)

A new heavy-duty oscillating conveyor is designed to handle ore, sand, castings, scrap and other heavy and abrasive materials. The conveyor, which has a potential capacity of up to 150 tons per hour, is manufactured with 20-, 24- and 30-in. trough widths, and in a variety of trough designs. Their one-piece construction is leak-proof and easy to clean. Drive section can be located anywhere on conveyor, with motor on either side. *Link-Belt Co.*

## Flip Top Vent (RA-5)

The Flip Top vent cap on Gould Thirty-Ten motive-power batteries is opened with the flip of a finger, an important factor in the checking of electrolyte in electric truck batteries which must be done regularly. Because it flips open quickly and easily, permits instant inspection, and snaps shut, the cap is said to save 30% of inspection time. A built-in baffle prevents electrolyte spillage under roughest service. *Gould-National Batteries, Inc.*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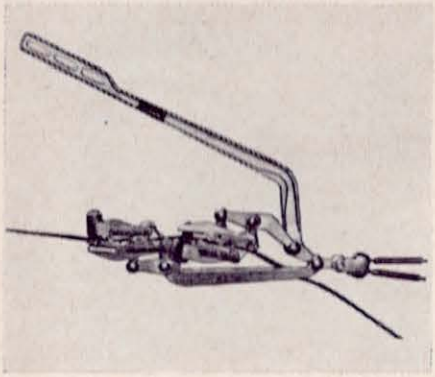
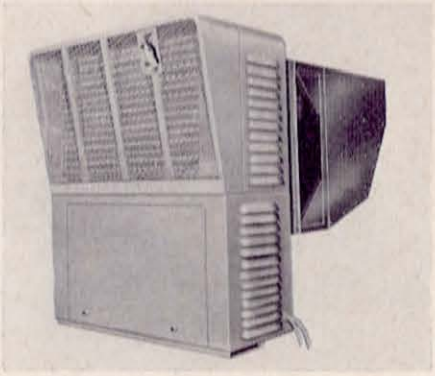
# NEW PRODUCTS REPORT *(Continued from preceding page)*



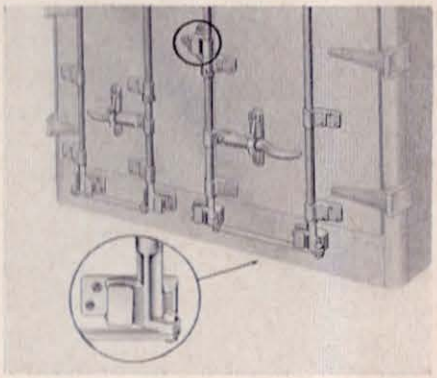
## Puller Hoist **(RA-7)**

An 8-lb endless-cable puller hoist has a rated capacity of 1,500 lb for handling loads vertically, horizontally or at any angle, for distances limited only by the length of cable used. The new hoist is said by its manufacturer to be easier to handle and rig than chain hoists; more versatile, and suited for use in maintenance and construction operations. Its capacity can be increased by using tackle blocks. *Pennsylvania Specialty Co.*



## Better Reefer Unit **(RA-8)**

Recent design modifications in all-electric "Super Trailmaster" trailer refrigeration units include: 1) A weight reduction with 10% increase in condenser capacity to provide greater cooling potential with less weight; and 2) a separate, weatherproof, lockable control box which can be mounted on the front wall of the trailer so it is accessible from ground level. Four models, ranging from 2 to 7½ hp, are available. *Arctic Traveler.*

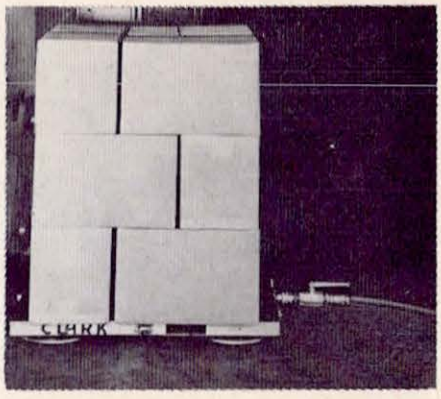


## TOFC Container Lock **(RA-9)**

The new "Jumbo" lock is designed specifically for containers handled in railroad piggyback service. With steel cams and keepers, it is said to provide optimum protection against external shocks caused by coupling, uncoupling or humping of cars; as well as against internal shocks caused by shifting of container cargo. Dual locking is accomplished with a single handle with keeper which anchors the handle in locked position. *Eberhard Mfg. Co.*

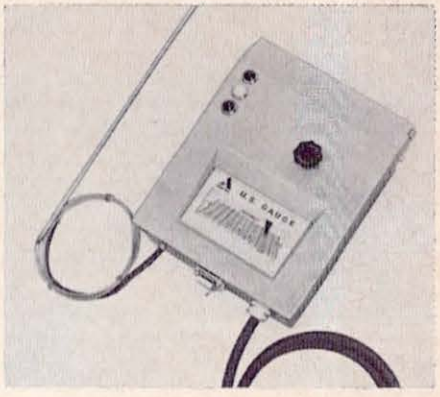
## Inflatable Dunnage **(RA-10)**

Cushionaire Unit-Load Bags are made in a single unit, tubeless design, of two sheets of nylon reinforced neoprene rubber, vulcanized together at the edges and reinforced with an inner gusset. Outer surface is textured to provide a good grip. A kit consisting of inflator gun and air gauge, and portable electric or gasoline-powered compressor is available. Bags come in ten sizes from 32 by 48 to 48 by 108 inches. *Acme Steel Co.*




## Air-Supported Pallet **(RA-11)**

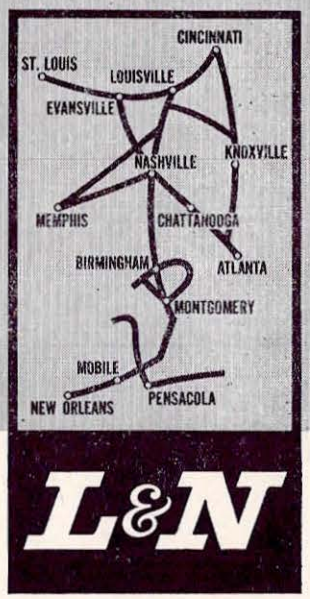
A protoype technique for moving materials by floating them on air involves use of a hollow pallet which slides over a thin, low-pressure air film. The air provides an almost frictionless bearing which allows the pallet and its load to be moved easily in any direction, either manually or mechanically. The pallet, trade-named "Load Glide," is part of a developing air film materials handling system. *Clark Equipment Co.*



## Temperature Gage **(RA-12)**

A new temperature controller for chemicals and foods that must be held at a constant temperature during shipment is specifically designed to withstand vibration and shock of long-distance hauling whether functioning as indicator, recorder or controller. Housed in dust- and moisture-proof cases, the instruments are available for four temperature ranges; will indicate load temperature within ± 1 deg, and hold close to set point. *U. S. Gauge.*

# NEW FACE

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Mr. John J. Canary, District Freight Agent
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Dear Jack:

I would like to convey my sincere thanks for the manner in which you and your railroad performed in helping us expedite Car PRR 473816, a high and wide load, from Warren, Pa., to Tampa, Florida in only 5 days.

It would be impossible to thank all of your people who helped expedite this car and for the courtesy extended to me as I followed the car, but herein request that you and the gentlemen listed below pass along my appreciation to all concerned.

I am happy to have had the opportunity to visit your yards at Hagerstown, Shenandoah and Roanoke. I witnessed what I considered to be a railroad that knows how to handle freight.

Thanks again for a job well done.

Sincerely,

C. F. Miles, Jr.
Supervisor of Traffic
& Storage

CFM:hf

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TAMPA 1, FLORIDA

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MR. JOHN J. CANARY, DISTRICT FREIGHT AGENT
NORFOLK & WESTERN RAILWAY COMPANY
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# New Tax Concessions Spur ATSF Buying

► **The Story at a Glance: Santa Fe is applauding the Treasury Department's liberalized depreciation rules with words of praise—and the rustling of folding money in large denominations.**

**"Inspired by the more equitable tax treatment" the company will get under the new rules, President E. S. Marsh said last week, Santa Fe will buy 24 hi-level chair cars (similar to those in service on "El Capitan") and 750 specialized freight cars. Total investment: $20 million, representing a 50% increase in the road's previously-announced new equipment outlay for 1962.**

Santa Fe last week provided new evidence that the railroads will respond to fairer treatment at the hands of government. The road's $20 million equipment program, though not the first, is by far the largest to be pegged specifically to the Treasury's revised depreciation guidelines announced July 11 (and hailed then by President Marsh as "certain to be beneficial").

A major part of the Santa Fe order will be for mainline passenger equipment—a type not often seen on builder order books in recent years (with commuter, rapid transit and head-end cars virtually monopolizing the market).

Santa Fe said the new units—24 hi-level chair cars—will be similar to the equipment built by Budd and placed in service on "El Capitan" in 1956. No mention of assignment of the new cars has been made, except for the comment that their acquisition will permit Santa Fe to retire a number of existing heavyweight cars.

Orders for the hi-levels haven't been placed. ATSF said several car builders are being invited to bid.

Of the 750 freight cars to be purchased, 250 are on order—200 50-ft, 70-ton shock control insulated box cars with load dividers from Pacific Car & Foundry; and 50 85-ft piggyback flat cars from General American. The remaining 500 cars will be 50-ft, 70-ton shock control insulated box cars with load-restraining devices (200 to be equipped with load dividers).

Santa Fe is now taking delivery on 200 Center Flow 100-ton covered hopper cars from ACF and 750 special box cars from company shops at Topeka.

Originally, the road planned capital expenditures of $65 million in 1962, of which $39 million was tabbed for equipment—43 locomotives, 25 baggage cars and 1,397 freight cars.

Liberalized depreciation rules weren't the only factors leading to Santa Fe's increased outlay. Mr. Marsh also cited the prospect that legislation will be enacted to provide an investment tax credit of 7% on the cost of new capital expenditures. Indications were, too, that the road's passenger-service showing over the past few years weighed heavily in the hi-level program—1961 revenues topped 1960 figures by 2%, and 1962 totals are reportedly running ahead of 1961 to date.

Still, the depreciation guidelines were the clincher. Santa Fe's president hailed the new rules—which provide a 14-year depreciation term for rolling stock—as remedying a situation which has plagued the industry for years. Previous rules, he noted, failed to recognize obsolescence and caused funds needed for replacements to be classed as profits and largely taxed away.

Application of the new rules allowing earlier depreciation deductions, he said, is estimated to mean approximately $16 million to Santa Fe's 1962 income tax bill.

Santa Fe's program is the second to be tied directly to the depreciation schedules. Gulf, Mobile & Ohio recently undertook a $9.35 million program involving purchase of 20 locomotives and 400 freight cars and upgrading of another 150 cars. When the plan was announced, President Glen P. Brock said the new guidelines "have added impetus to GM&O's plan to modernize its motive power and freight car fleet and have made it possible to accelerate the program."

## ASTT Cites Needed Traffic Education

The increasing concern in traffic circles over the need for upgrading personnel and in getting good recruits for the future was the theme of a session at the American Society of Traffic and Transportation's 17th annual meeting in Chicago, Sept. 13. Dr. John E. Clayton, associate professor of business administration at George Washington University, headed a panel of men representing rail, truck, air and shipper points of view.

Ralph L. Andreas, manager of traffic for the American Oil Company (and a long-time railroader himself), said there is a great need for trained specialists because "millions of dollars are lost by untrained men performing traffic functions."

"We like college degrees but don't insist upon them," he noted as he told how his company hopes to develop management "generalists" by encouraging new employees to continue their education and paying as much as 75% of their tuition costs when this aids their development. He described the 4-6-week college programs in use by American Oil as aids in personnel development.

C. M. Mason, United Air Lines senior vice president, gave the meeting some astringent views. "Education is not a doctrinaire formula that can be applied across the board. We at United are concerned with the actions and ideas of people—and are not concerned with the development of theories—and this only as it relates to a dynamic, service-conscious company that will perpetuate itself." He told about selective hiring at United—the last 4,993 employees hired were screened from 99,600 applicants.

Santa Fe Assistant Vice President T. M. Caiazza told the ASTT members how Santa Fe's care in original selection is considered of the utmost importance in securing future traffic officers. "When we hire an office boy, we insist that he be screened carefully, for he someday may be in our management and we want to see that he will be a help to Santa Fe in the long run." Mr. Caiazza told of his railroad's use of sales meetings, of the rotation of assignments so that new men are exposed to the varied aspects of traffic department work, and the program of bringing promising officer candidates to Chicago for long stints at headquarters. He cited Santa Fe's use of various formal school programs, ranging from one-week traffic management sessions to Northwestern University's full general transportation course and Harvard Business School's course, as tools for personnel development.

Alex K. Scherer, president of Scherer Freight Lines, described the generally late start of truckers in the field of developing personnel to meet requirements of a rapidly growing trucking industry. He said that while truckers lean heavily on whatever established courses universities and colleges offer to traffic-oriented undergraduates, there is a need for courses at all levels tailored specifically to trucking in the future.

# Mechanical Meetings: Legislative

► **The Story at a Glance: Changes in the political and regulatory climate in which railroads operate are fully as important as the technological changes which were the specific topics of four mechanical department groups meeting in Chicago last week. That was the consensus of speakers at various Coordinated Mechanical Associations sessions. Those attending the annual meetings of the Air Brake, Car Department Officers, Locomotive Maintenance Officers, and Railway Fuel & Operating Officers Associations were urged to participate in presenting the railroad case to their fellow employees, to legislators, and to the general public.**

"The spirit and determination of people like you in this business manages to overcome most of the physical problems involved in railroad operation," E. S. Marsh, Santa Fe president, told a joint meeting of the Air Brake and Car Department Officers Associations. "It would, of course, be done faster and more fully if adequate earnings were available to accomplish all the things that are desirable. . . . The railroads are suffering from a long continuation of unequal competitive opportunity in the transportation field with artificial diversion of traffic. This, combined with the inflationary spiral common to all industry, has produced a slow deterioration in railroad earnings which should be corrected before it is too late," he said.

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# New Tax Concessions Spur ATSF Buying

► **The Story at a Glance: Santa Fe is applauding the Treasury Department's liberalized depreciation rules with words of praise—and the rustling of folding money in large denominations.**

**"Inspired by the more equitable tax treatment" the company will get under the new rules, President E. S. Marsh said last week, Santa Fe will buy 24 hi-level chair cars (similar to those in service on "El Capitan") and 750 specialized freight cars. Total investment: $20 million, representing a 50% increase in the road's previously-announced new equipment outlay for 1962.**

Santa Fe last week provided new evidence that the railroads will respond to fairer treatment at the hands of government. The road's $20 million equipment program, though not the first, is by far the largest to be pegged specifically to the Treasury's revised depreciation guidelines announced July 11 (and hailed then by President Marsh as "certain to be beneficial").

A major part of the Santa Fe order will be for mainline passenger equipment—a type not often seen on builder order books in recent years (with commuter, rapid transit and head-end cars virtually monopolizing the market).

Santa Fe said the new units—24 hi-level chair cars—will be similar to the equipment built by Budd and placed in service on "El Capitan" in 1956. No mention of assignment of the new cars has been made, except for the comment that their acquisition will permit Santa Fe to retire a number of existing heavyweight cars.

Orders for the hi-levels haven't been placed. ATSF said several car builders are being invited to bid.

Of the 750 freight cars to be purchased, 250 are on order—200 50-ft, 70-ton shock control insulated box cars with load dividers from Pacific Car & Foundry; and 50 85-ft piggyback flat cars from General American. The remaining 500 cars will be 50-ft, 70-ton shock control insulated box cars with load-restraining devices (200 to be equipped with load dividers).

Santa Fe is now taking delivery on 200 Center Flow 100-ton covered hopper cars from ACF and 750 special box cars from company shops at Topeka.

Originally, the road planned capital expenditures of $65 million in 1962, of which $39 million was tabbed for equipment—43 locomotives, 25 baggage cars and 1,397 freight cars.

Liberalized depreciation rules weren't the only factors leading to Santa Fe's increased outlay. Mr. Marsh also cited the prospect that legislation will be enacted to provide an investment tax credit of 7% on the cost of new capital expenditures. Indications were, too, that the road's passenger-service showing over the past few years weighed heavily in the hi-level program—1961 revenues topped 1960 figures by 2%, and 1962 totals are reportedly running ahead of 1961 to date.

Still, the depreciation guidelines were the clincher. Santa Fe's president hailed the new rules—which provide a 14-year depreciation term for rolling stock—as remedying a situation which has plagued the industry for years. Previous rules, he noted, failed to recognize obsolescence and caused funds needed for replacements to be classed as profits and largely taxed away.

Application of the new rules allowing earlier depreciation deductions, he said, is estimated to mean approximately $16 million to Santa Fe's 1962 income tax bill.

Santa Fe's program is the second to be tied directly to the depreciation schedules. Gulf, Mobile & Ohio recently undertook a $9.35 million program involving purchase of 20 locomotives and 400 freight cars and upgrading of another 150 cars. When the plan was announced, President Glen P. Brock said the new guidelines "have added impetus to GM&O's plan to modernize its motive power and freight car fleet and have made it possible to accelerate the program."

## ASTT Cites Needed Traffic Education

The increasing concern in traffic circles over the need for upgrading personnel and in getting good recruits for the future was the theme of a session at the American Society of Traffic and Transportation's 17th annual meeting in Chicago, Sept. 13. Dr. John E. Clayton, associate professor of business administration at George Washington University, headed a panel of men representing rail, truck, air and shipper points of view.

Ralph L. Andreas, manager of traffic for the American Oil Company (and a long-time railroader himself), said there is a great need for trained specialists because "millions of dollars are lost by untrained men performing traffic functions."

"We like college degrees but don't insist upon them," he noted as he told how his company hopes to develop management "generalists" by encouraging new employees to continue their education and paying as much as 75% of their tuition costs when this aids their development. He described the 4-6-week college programs in use by American Oil as aids in personnel development.

C. M. Mason, United Air Lines senior vice president, gave the meeting some astringent views. "Education is not a doctrinaire formula that can be applied across the board. We at United are concerned with the actions and ideas of people—and are not concerned with the development of theories—and this only as it relates to a dynamic, service-conscious company that will perpetuate itself." He told about selective hiring at United—the last 4,993 employees hired were screened from 99,600 applicants.

Santa Fe Assistant Vice President T. M. Caiazza told the ASTT members how Santa Fe's care in original selection is considered of the utmost importance in securing future traffic officers. "When we hire an office boy, we insist that he be screened carefully, for he someday may be in our management and we want to see that he will be a help to Santa Fe in the long run." Mr. Caiazza told of his railroad's use of sales meetings, of the rotation of assignments so that new men are exposed to the varied aspects of traffic department work, and the program of bringing promising officer candidates to Chicago for long stints at headquarters. He cited Santa Fe's use of various formal school programs, ranging from one-week traffic management sessions to Northwestern University's full general transportation course and Harvard Business School's course, as tools for personnel development.

Alex K. Scherer, president of Scherer Freight Lines, described the generally late start of truckers in the field of developing personnel to meet requirements of a rapidly growing trucking industry. He said that while truckers lean heavily on whatever established courses universities and colleges offer to traffic-oriented undergraduates, there is a need for courses at all levels tailored specifically to trucking in the future.

# Mechanical Meetings: Legislative

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# Goal Cited

administering more economical maintenance operations," R. E. Harrison, LMOA president, told the organization. While recent equipment developments have been outstanding, Mr. Harrison said, "they still are not adequate for today because rapidly changing conditions are creating a greater demand for higher horsepower locomotives, specialized cars, and increased train speeds. . . . In particular, there is a continuing need for motive power that requires minimum maintenance and parts replacement. Motive power in use today requires too many engine, cooling system, electrical, and truck overhauls."

## Diesel-hydraulic report

After more than 75,000 miles of operation, the transmissions of the diesel-hydraulic locomotives put into service by the Southern Pacific late last year have shown no discernible wear. P. V. Garin, SP manager of mechanical engineering and research told the LMOA of the recent inspection made on the engines and transmissions of his road's 4,000-hp experimental German-built units (RA, July 24, p. 20). There has been no difficulty in the maintenance of these locomotives because "there is nothing outside our maintenance capabilities," Mr. Garin said. The three SP diesel-hydraulic units give about the same performance as seven 1,500-hp diesel-electric units in mountain service. Acceleration characteristics have been exceptional, Mr. Garin said. One example: Three hydraulics with 3,454 trailing tons had about the same acceleration rate as eight 1,500-hp diesel-electrics hauling 3,558 trailing tons. Dynamometer tests of the three units have shown development of as high as 284,000 lb drawbar pull on heavy grades. One unit developed 110,000 lb, an adhesion rate of 33%. On mountain grades the hydraulics can operate at very slow speeds.

Mr. Garin cited one instance when the three unit locomotive moved a tonnage train at a speed of 1 mph as it followed a trainman walking ahead to check for slide conditions. Dynamic braking has been very satisfactory with the three-unit locomotive developing 122,000 lb retardation at 24 mph.

One experimental run took the three units 2,911 miles from Roseville, Cal. to St. Louis, Mo., over the SP and SP subsidiary Cotton Belt in 69 hours with 21 crew changes. Mr. Garin mentioned that many of these enginemen had never before seen the locomotive and that after only brief instruction by road foremen were able to operate it successfully. Out of Los Angeles on this run the locomotive moved 5,700 tons. On this entire trip it produced 15 million gross ton miles. Since going into service the locomotives have piled up about 300 million gross ton miles. The units have made 121 round trips from Roseville to Sparks, Nev., over the 2.4% ruling grade in the Sierra Nevadas. They have also operated 69 round trips from Roseville to Eugene, Ore., over the Cascades and have made other runs in miscellaneous services. Efficiency of the hydraulic transmission is 82%, about the same as that of the electric transmission.

Although originally built with pneumatic throttle controls which made it impossible to operate them in multiple with diesel-electrics, the diesel-hydraulics are to be changed to an electro-pneumatic control system which will make them completely compatible. Difficulties with springing wheels and engine air intakes have had to be corrected since the units went into service. Fuel for the high-horsepower, 1,580-

## PLANS MADE FOR BIG 1963 RAILROAD CONVENTION

The program for the combined 1963 railroad show and meetings has been tentatively set. Exhibits sponsored by four supply associations will be open during meetings of nine railroad groups and on the in-between week-end to interested outside groups and individuals.

The tentative program follows:

—Wednesday, October 9 to Wednesday, October 16 inclusive

### Location

—Chicago, Illinois
Indoor Exhibits—McCormick Place
Outdoor Exhibits—31st Street Yards, Illinois Central
Meetings—McCormick Place & Hotels

### Sponsors

—Railway Supply Association, Inc.
Association of Track & Structure Suppliers
National Railway Appliances Association
Railway Signal & Communications Suppliers Association

### Railroad Groups Participating, Dates of Meetings, and Hotel Headquarters

**October 9, 10, & 11 (Wednesday, Thursday, & Friday)**

| | |
|---|---|
| Communication & Signal Sec.—Operating—Trans. Div.—AAR | —Sheraton Chicago |
| Engineering Division—AAR— | Conrad Hilton |
| Mechanical Division—AAR— | Morrison |
| Purchases & Stores Division—AAR— | Morrison |

**October 14, 15, & 16 (Monday, Tuesday, & Wednesday)**

| | |
|---|---|
| Air Brake Association— | Morrison |
| American Railway Bridge & Building Ass'n— | Pick-Congress |
| Car Department Officers Association— | Morrison |
| Locomotive Maintenance Officers Association— | Morrison |
| Railway Fuel & Operating Officers Ass'n— | Morrison |
| Roadmasters & M. of W. Ass'n., of America— | Pick-Congress |

**October 12, 13 (Saturday—Sunday)**

Exhibits will be open to those groups or individuals interested in transportation.

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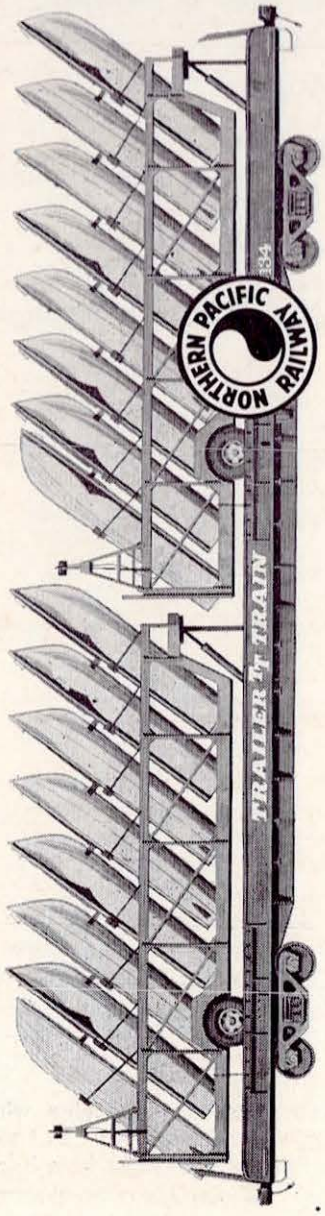


rpm Maybach engines is somewhat critical although the units have operated on fuels as low as thirty-five cetane. Mr. Garin emphasized that the units are experimental and that engines of American manufacture could be used in them.

One American locomotive builder and several equipment manufacturers have expressed interest in possible construction of additional hydraulic locomotives and components. Higher horsepower in one carbody is an advantage and the coming motive power as the SP sees it. It means fewer units to operate, inspect and maintain. From an operating standpoint Mr. Garin characterized the diesel-hydraulic as combining the qualities of the race horse and the mule.

## Power Brake Law

Compliance with the Power Brake Law of 1958 and its effect on train and yard operations were discussed by H. R. Longhurst, assistant director of the ICC Bureau of Safety and Service. "After more than four years we consider that the educational phase of our work is over," he warned the Air Brake and Car Department Officers Associations. "The Power Brake law, like other legislation, carries a penalty for those who fail to comply with its requirements. Although some progress has been made, there remains much which must be done. . . . Our observations of train brake tests on freight trains indicated that 88.2% of the tests were properly made, and tests on passenger trains were 98.5% properly conducted. There is considerable room for improvement in these figures and it is evident that a concentrated effort must be made to correct this situation," he said.

"Air brake defects increased this year over last year," he continued, discussing the safety appliance inspections made by ICC agents. "They show the need for continued efforts to improve the condition of brake equipment." Discussing safety appliances in general, Mr. Longhurst pointed out that "there has been a serious deterioration in their condition" over the past two years. "The record for safety appliance defects on locomotives is far better," he said. During the past year the number of locomotives found with defective safety appliances went down from 1.0% of all units inspected in fiscal 1961, to 0.8% in fiscal 1962. In 1962 the ICC has found defects on 5.9% of all freight cars checked and on 6.2% of all passenger cars.

Current journal performance of approximately one million miles per hot box setoff, with an average car life of 30 years and an average daily mileage of 42.2 miles, means that there would be only one hot box in the lifetimes of every two freight cars. That was the calculation of the CDOA Committee on Car Lubrication which went on to list the major reasons for the improvement in performance of the plain-bearing journal box:

- Pad lubricators have eliminated the wast grab;
- Journal finishes have been improved under AAR directive;
- Control of journal and bearing sizes has eliminated the high unit pressures which could be developed under former practices;
- Change of journal wedge radius to 50 in. assures movement of the wedge so the bearing will be evenly loaded;
- Elimination of cast iron wheels will mean the end of shelling and brake burns which produce uneven tread surfaces which not only damage bearings, but loosen box lids and jar the lubricating medium away from the journal surface.

"It appears that when the improvements already made can be supplemented with longitudinal stabilization an average of two million miles per hot box set-out can be expected," W. M. Keller, AAR vice president—research, predicted in commenting on journal-box performance. "We have not finished the job," he continued. "Our goal of two million miles per set-out is only an interim one. Ten million miles is more like what we need. Whatever changes we need to reach a goal of this magnitude will have to be made. And it must be done by requiring no more than a simple kind of servicing performed only at extended mileage intervals. I hope I am not looking very far into the future when I foresee no enroute servicing of journal bearings on any train in North America."

Conversion for piggyback service of standard flat cars having deck heights as high as 54 in. should be prohibited, the CDOA Committee on Road-Rail Transportation recommended. The Committee also asked that steps soon be taken to remove from piggyback service such cars now operating, as well as those having jacks, chocks and chains for trailer securement. The Committee urged the use of trailer hitches exclusively, the utilization of piggyback cars having deck heights of no more than 41 in., and standardization on an 8 ft 2 in. width between the side guide rails of piggyback cars.

The four Coordinated groups elected new presidents for the 1963 year: Air Brake—J. H. Russell, New York Central; Car Department Officers—C. W. Kimball, Southern; Locomotive Maintenance Officers—C. A. Love, Louisville & Nashville; and Railway Fuel & Operating Officers—L. M. Leikel, Baltimore & Ohio.

# LETTERS FROM READERS

## Mr. Deering Is Critical

Chicago

To the Editor:

I subscribe to Railway Age and would like to say I do not agree with your opinion on many matters, which is the way it should be—but when you start misrepresenting facts then a reply is necessary. Under "Working Rules Misunderstood" ("Railroading After Hours," RA, Sept. 10, p. 11), you said:

"As the Monitor pointed out, the railroads have not proposed to remove the 'firemen' from passenger locomotives."

You know that is not true and so does [the Christian Science] Monitor. The Chicago & North Western tried to remove firemen from passenger locomotives—and would have, had they got away with it. I don't care how you or anyone else reclassifies push-pull passenger trains on the Chicago & North Western, the power used is diesel-electric and said diesels are exactly like all other passenger diesel locomotives. Therefore, your statement should be retracted, if you dare. In the same paragraph you say:

"Even if there were only one man in the cab, a 'dead man control' would have prevented the accident that this lady believed the 'fireman' forestalled."

This is a deliberate lie, and you know it. By copy of this letter to our legal department, I am suggesting to them that appropriate action be taken. A dead man control lever will not by itself stop any train—except and not until the dead man (engineer) *first* removes his foot (pressure) from the pedal. Why are you trying to misrepresent facts on such an important issue? We have in our files many incidents where a fireman on a diesel has saved a child's life. This is a fact. That child could have been your son, daughter, grandson or granddaughter. I wonder what your opinion and writings would be then.

May I suggest—if you can't print the truth—don't print anything.

*D. C. Deering*
*General Chairman, BLF&E*
*Chicago & North Western Railway*

[The reply by Editor J. G. Lyne to this letter appears in the "Railroading After Hours" column, page 52.]

*When your key personnel must face*
**A FUTURE WITHOUT PAYCHECKS . . .**

Long term disability creates not only severe financial problems for the key employee . . . but also complex top management problems. Financial question: How much to pay, and for how long, beyond sick leave commitments? Morale question: Would you pay the same for other key personnel? More for some, less for others?

For the answer to these questions, you will be interested in receiving information on Provident's Long Term Salary Continuance Plan. The benefits are realistic and the tax climate, for both employer and executive, is favorable.

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LIFE AND ACCIDENT INSURANCE COMPANY
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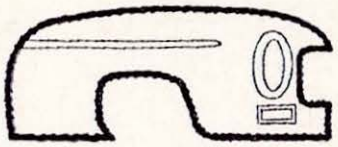
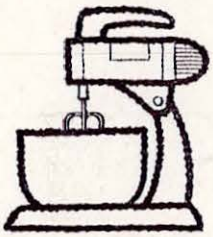
CHICO SAYS:

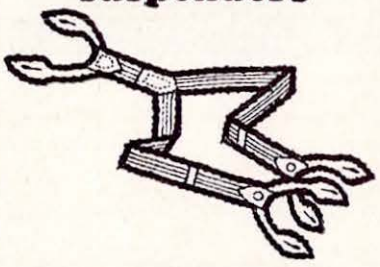
**For shipping fenders**



**or blenders**



**or colored suspenders**



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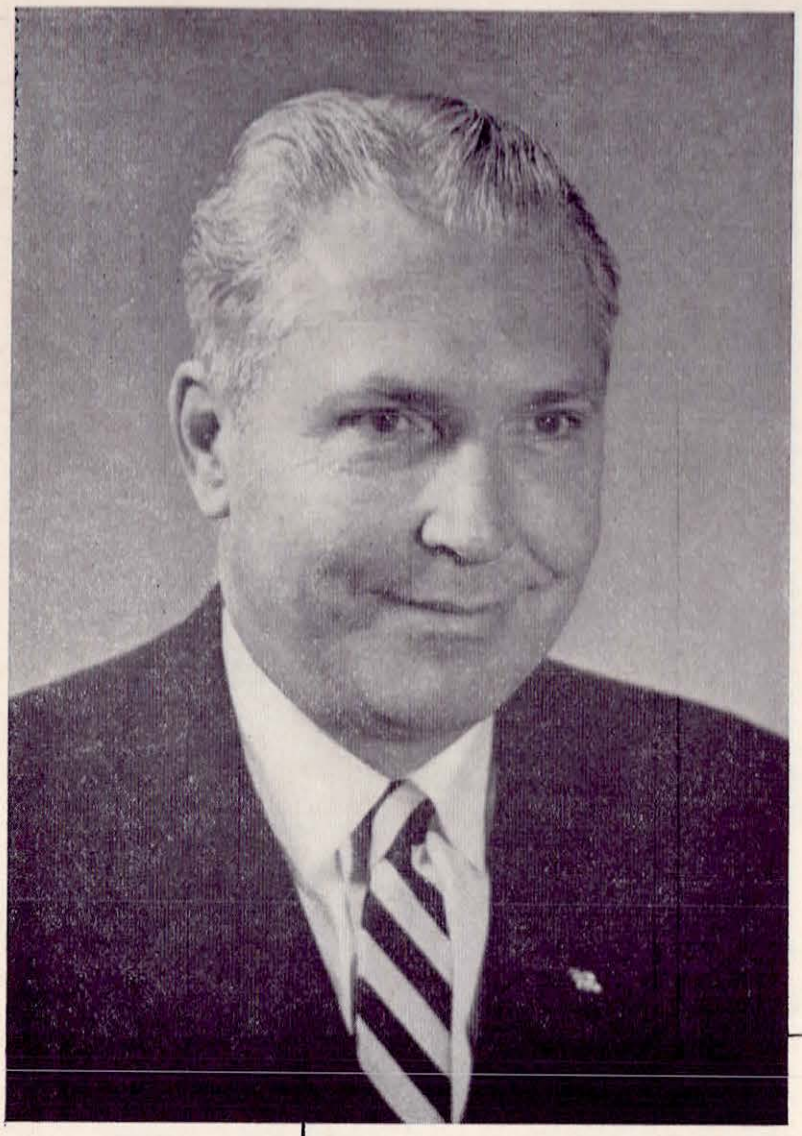
No matter what you ship call the nearest Santa Fe Traffic Office and let the "railroad that's always on the move toward a better way" go to work for you.

Santa Fe all the way



**H. N. JOHNSON**
General Traffic Manager
Ralston Purina Company

# *"Railway Age...is one of our very important tools"...*

"**RAILWAY AGE** is not required reading for our traffic people, but it is certainly desired reading. It helps us to keep up to date with the fast changing transportation picture. It is one of our very important tools and we look forward to receiving it each week."

*H. N. Johnson*

# Market Outlook

## Carloadings Rise 18.4% Above Holiday Week

Loadings of revenue freight in the week ended Sept. 15 totaled 586,626 cars, the Association of American Railroads announced on Sept. 20. This was an increase of 91,340 cars, or 18.4%, compared with the previous holiday week; a decrease of 9,403 cars, or 1.6%, compared with the corresponding week last year; and a decrease of 12,115 cars, or 2.0%, compared with the equivalent 1960 week.

REVENUE FREIGHT CARLOADINGS
For the week ended Saturday, September 15

| District | 1962 | 1961 | 1960 |
|---|---|---|---|
| Eastern | 83,654 | 84,995 | 90,441 |
| Allegheny | 97,272 | 102,812 | 79,915 |
| Pocahontas | 54,018 | 54,917 | 51,290 |
| Southern | 113,127 | 111,264 | 109,217 |
| Northwestern | 80,271 | 93,326 | 99,337 |
| Central Western | 118,039 | 113,968 | 125,416 |
| Southwestern | 40,245 | 34,747 | 43,125 |
| Total Western Districts | 238,555 | 242,041 | 267,878 |
| Total All Roads | 586,626 | 596,029 | 598,741 |
| Commodities: | | | |
| Grain and grain products | 51,611 | 48,717 | 52,485 |
| Livestock | 5,835 | 5,638 | 7,530 |
| Coal | 111,258 | 112,433 | 109,321 |
| Coke | 6,144 | 7,814 | 4,953 |
| Forest Products | 37,907 | 38,600 | 40,021 |
| Ore | 47,124 | 55,385 | 51,102 |
| Merchandise l.c.l. | 22,528 | 29,189 | 34,954 |
| Miscellaneous | 304,219 | 298,253 | 298,375 |
| September 15 | 586,626 | 596,029 | 598,741 |
| September 8 | 495,286 | 514,220 | 480,065 |
| September 1 | 581,420 | 597,730 | 577,206 |
| August 25 | 582,959 | 592,265 | 594,964 |
| August 18 | 582,626 | 595,085 | 596,464 |
| Cumulative total, 37 weeks | 20,378,890 | 19,841,268 | 22,030,094 |

**PIGGYBACK CARLOADINGS.**—U. S. piggyback loadings for the week ended Sept. 8 totaled 12,020 cars, compared with 9,801 for the corresponding 1961 week. Loadings for 1962 up to Sept. 8 totaled 476,850 cars, compared with 394,936 for the corresponding period of 1961.

**IN CANADA.**—Carloadings for the ten-day period ended Aug. 31 totaled 114,368 cars, compared with 72,824 for the previous seven-day period, according to the Dominion Bureau of Statistics.

| | Revenue Cars Loaded | Total Cars Rec'd from Connections |
|---|---|---|
| Totals for Canada | | |
| Aug. 31, 1962 | 114,368 | 30,746 |
| Aug. 31, 1961 | 112,453 | 33,366 |
| Cumulative Totals | | |
| Aug. 31, 1962 | 2,363,149 | 803,250 |
| Aug. 31, 1961 | 2,283,368 | 816,416 |

# New Equipment

### FREIGHT-TRAIN CARS

► *Pennsylvania.*—Ordered 800 freight cars from its Samuel Rea shops at Hollidaysburg, Pa. Included are 500 70-ton box cars with cushion underframes and 15-ft doors and 300 70-ton hopper cars.

► *Santa Fe.*—Ordered 200 50-ft, 70-ton shock control insulated box cars with load dividers from Pacific Car & Foundry; and 50 85-ft piggyback flat cars from General American. Orders will be placed later for 500 50-ft, 70-ton shock control insulated box cars with load-restraining devices, 200 to be equipped with load dividers (see p. 57).

### PASSENGER-TRAIN CARS

► *Missouri Pacific.*—Purchased 15 baggage cars from Delaware & Hudson.

► *Santa Fe.*—Will order 24 hi-level chair cars, similar to equipment now in service on "El Capitan" (see p. 57).

### LOCOMOTIVES

► *Minneapolis, Northfield & Southern.*—Ordered two 1,200-hp SW-1200 units equipped with MU control from EMD. Delivery is scheduled for late September. New units will replace one or two 2,000-hp road transfer locomotives which will be sold or scrapped, depending on the market.

► *Missouri Pacific.*—Authorized $8 million equipment expenditure includes acquisition of 56 new locomotives. Orders have been placed for 36 1,200-hp switchers from EMD for delivery late this year and early in 1963. Authorization also covers 20 1,800-hp GP-18 road switchers. Sixty-six existing units will be traded in on the new locomotives.

► *Pennsylvania.*—Ordered 22 2,500-hp diesel-electric freight locomotive units from General Electric. Delivery will be made in October.

# Orders and Deliveries

► *Orders Decrease.*—Orders were placed in August for 2,796 freight cars, compared with 3,127 in July. August 1961 orders totaled 1,474. Deliveries in August totaled 3,541, compared with 3,181 in July, and 2,428 in August 1961. Backlog of cars on order and undelivered on Sept. 1 was 12,429, compared with 13,192 on August 1 and 9,690 on Sept. 1, 1961.

| TYPE | ORDERED August, 1962 | DELIVERED August, 1962 | ON ORDER & UNDELIVERED September 1, 1962 |
|---|---|---|---|
| Box—Plain | 980 | 1,352 | 2,881 |
| Flat | 447 | 281 | 1,636 |
| Gondola | 35 | 15 | 476 |
| Hopper | 300 | 568 | 1,923 |
| Covered Hopper | 198 | 488 | 876 |
| Refrigerator | 350 | 360 | 2,670 |
| Stock | 0 | 0 | 100 |
| Tank | 346 | 376 | 1,511 |
| Caboose | 50 | 7 | 99 |
| Other | 90 | 94 | 257 |
| TOTAL | 2,796 | 3,541 | 12,429 |
| Car Builders | 1,710 | 2,205 | 6,003 |
| Railroad Shops | 1,086 | 1,336 | 6,426 |

SPECIAL CAR PANEL at the 119th regular meeting of the Pacific Coast Shippers Advisory Board included, left to right, R. J. Cleland, assistant to the vice president, marketing, WP, San Francisco; D. A. Baumgartner, general superintendent of transportation, Santa Fe, Chicago; G. D. Davis, district manager, Car Service Division, AAR, San Francisco; L. J. Lyons, superintendent of freight car service, SP, San Francisco; N. B. Marvin, general freight traffic manager, UP, Omaha. Standing: H. J. Flynn, district manager-freight sales, T&P, San Francisco; Paul Porton, manager of transportation and warehousing, western division, Libby, McNeill & Libby; James E. Baker, rail chairman of Special Equipped Car Committee and manager sales-special equipment, WP, San Francisco; C. R. Merritt, chairman of Special Equipped Car Committee and district traffic manager, American Smelting & Refining Co., San Francisco; and A. R. Oberlin, chairman of the Regional Car Efficiency Committee and district traffic manager, Anheuser-Busch, Inc., Los Angeles.

# Special Cars: Can They Pay Their Way?

► **The Story at a Glance: Closed cars equipped with special load-restraining, damage-preventing devices are mutually advantageous to industry and railroads alike, Pacific Coast shippers were told at San Francisco Sept. 12. But present cost of such cars makes their full utilization and fast turnaround essential if railroads are going to furnish as many of them as shippers seem to want. Meantime, development of specialized cars is continuing, with changes still to come.**

In a fast-moving discussion which highlighted the Sept. 12-13 San Francisco meeting of the Pacific Coast Shippers Advisory Board, railroad panelists and shipper audience indicated general agreement that:

- Specially equipped freight cars are helpful to both; but
- Use of such cars, by both shippers and carriers, must be further improved if the necessarily high investment in them is to be fully justified.

Shippers can share with railroads, car builders and specialty manufacturers credit for the rapid development of closed freight cars fitted with load-restraining devices, said R. J. Cleland, who is assistant to the vice president—marketing, Western Pacific. Now, he added, better utilization and faster turnaround of such cars is essential to justify their increased cost, "which freight rates don't fully cover." The utilization job is, he conceded, primarily a railroad responsibility, but it is one in which shippers can help by loading cars properly and promptly and unloading and releasing them cleanly and rapidly.

Supporting Mr. Cleland's views was N. B. Marvin, general freight traffic manager, Union Pacific, Omaha. "Great strides," he said, "have been made in special equipment in the last few years, but all too frequently such equipment is not fully or properly used." For that reason, he continued, cars of the DF type cannot be considered the sole answer to the loss and damage problem; "results achieved depend to a large extent on the way the cars are loaded and operated."

Paul Porton, board chairman and manager, transportation and warehousing, Libby, McNeill & Libby, said from the floor that "shippers certainly accept and appreciate" the loader-device cars; suggested that "definite evaluation of their performance might help to justify their high cost." But panelist L. J. Lyons, superintendent freight car service, Southern Pacific, answered that development of such figures, even with IBM procedures, is "probably two years away"; as of now, "we're still taking the girl out for the first time."

Carl A. Naffziger, director of the AAR's Freight Loss and Damage Prevention Section, confirmed Mr. Lyons' statement as to the lack of reliable industry-wide figures on the damage prevention performance of loader-equipped or cushion underframe cars.

Also speaking from the floor, Leo Delventhal, Jr., manager, marketing field services, WP, said, however, that spot checks by his company indicate that canned goods damage in loader-equipped cars with standard underframes runs a little less than half of that incurred on comparable moves in conventional box cars. Loader-equipped cars with cushion underframes cut damage to about one-fourth of the plain box figures. He emphasized, on the other hand, that the actual dollar saving alone appears inadequate to justify the added cost of the loading devices—but pointed out that damage prevention is only one of the virtues of such devices; "they also cut loading/unloading costs and prevent mix-ups on stop-off loads."

The initial cost of loader-equipped cars was mentioned by each of the railroad speakers. Mr. Marvin said, for example, that a UP car exhibited (along with Santa Fe, SP and WP units) in connection with the board meeting, cost $19,000. The fourth panelist, D. A. Baumgartner, general superintendent transportation, Santa Fe, Chicago, topped that with a figure of "$30,000 each" for 200 load-divider refrigerator cars now being built by his company. Mr. Cleland pointed out that a WP Compartmentizer car built in 1955 costs

the railroad $2.68 a day, without maintenance; the comparable daily cost for a 1962 Compartmentizer car, virtually identical except for the addition of some type of cushion draft gear or underframe, is $3.75, an increase of 40%. A possible solution to the cost problem, Mr. Marvin added, is some kind of less expensive device car, "which railroads are now trying to develop."

Analyzing the numerous factors to be considered in purchasing such cars, Mr. Baumgartner said the Santa Fe looks at the need for insulation (at an added cost of about $2,000 per car), and the suitability of the car for use in all territories where the company is called on to supply equipment. It finds, he continued, that the DF type unit, with belt rails and crossbars, is the most versatile of the device cars, though the load-divider car is gaining in popularity. "Shock control" cars (as the Santa Fe terms its cushion-underframe units) are also winning shipper favor, even to the extent of replacing cars with load holders. He expressed the opinion, too, that load-divider reefers, such as his company has under construction, "hold out promise of being able to handle wine, produce and canned goods eastbound and dry freight westbound."

To illustrate the complexity of the problem, he pointed out that on the Santa Fe device cars travel an average of 134 miles a day, against only 73 for conventional box cars. However, they are loaded only 56% of the time, compared to a plain box load factor of 68%. He agreed with Mr. Cleland, who had said in response to a floor question that railroads in general—and with some exceptions—dislike to put specialized loader-equipped cars in assigned service, on economic grounds.

All four railroad speakers said their companies try to inspect device cars before placing them for loading, and are trying to supply as large a percentage as possible of those requested. "If," said Mr. Lyons, "shippers will tell the railroads what they want, the carriers will measure the cost and buy what they can."

Both he and Mr. Marvin promised "new developments" but "we can't obsolete expensive cars in two or three years. We have to move slowly into those new developments." Only detail as to what those developments might be came from Mr. Lyons, who mentioned a "60-ft, 100-ton car with cushion underframe and DF equipment."

Other subjects which drew special attention at the board meeting were TOFC, LCL and loss and damage.

As to TOFC, the board adopted as a general statement of policy four provisos drafted by P. J. Wellnitz, chairman of its TOFC-Containerization Committee and Pacific Coast traffic manager, Union Carbide Corp. These are:

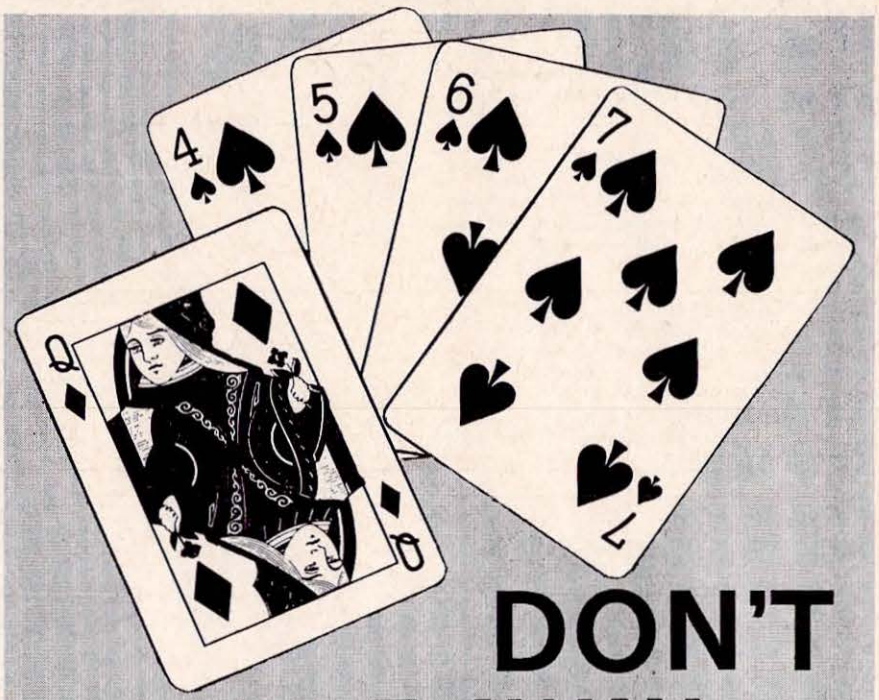
1) All plans should continue to be approved and every effort made to continue their development and expansion.

2) Where coordinated services of rail and truck can be performed by carriers at less [cost] than either form by themselves, the carriers should be encouraged and permitted to establish both rates and service.

3) TOFC provides a coordination of motor and rail service which, if allowed to develop with savings to shippers, will tend to discourage growth of private carriage.

4) Continued growth of TOFC provides damage-free transportation and, by taking trailers off the highways, reduces safety hazards to the public.

Keith M. Brown, assistant traffic manager, Spreckels Sugar Co., and chairman of the board's LCL Committee, called for a "reappraisal of handling, timing, connections, schedules, service—and price. . . . Service and price march hand in hand. For the most part, where service is right, price is not."

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# PEOPLE IN THE NEWS

**NEW YORK CENTRAL.—Robert S. Reebie,** director of industry planning, appointed to the new position of assistant vice president market planning and research, New York.

**NORTHERN PACIFIC.—G. A. Webster,** assistant superintendent, car department, St. Paul, Minn., promoted to superintendent, car department. **J. D. Krohne,** assistant to mechanical engineer, succeeds Mr. Webster as assistant superintendent, car department.

**RAILWAY EXPRESS AGENCY. — Robert J. Fletcher,** vice president and general counsel, appointed vice president—executive department. **William J. Taylor,** general attorney, named general counsel, in charge of the law department. **William Q. Keenan,** assistant general counsel, appointed general solicitor. All three appointments are effective Oct. 1.

**READING.—Roderick Craib,** assistant director of public relations since Aug. 15, appointed director of public relations, Philadelphia, effective Oct. 1, succeeding **Harry E. Hammer,** resigned to join the **Missouri Pacific** at St. Louis.

**SANTA FE.—Donald M. Miller,** master mechanic, Arkansas City, Kan., transferred to Chicago, to replace **E. M. Hiatt,** promoted to superintendent of shops, Barstow, Calif. **W. R. Cowdrey,** master mechanic, Newton, Kan., named general master mechanic there. Former positions of Messrs. Miller and Cowdrey abolished.

**SOO LINE.—James A. Welton,** assistant superintendent, Eastern division, Stevens Point, Wis., appointed superintendent, Western division, Enderlin, N.D., succeeding **Wilbur A. Taft,** resigned to join the **Midland Continental** as general manager at Jamestown, N.D. (RA, Sept. 17, p. 75).

**SOUTHERN PACIFIC.—Horace Olive,** auditor of disbursements, Houston, Tex., retires Sept. 30.

## Supply Trade

**Thomas A. Rape** has been appointed railroad sales engineer, **The Colorado Fuel & Iron Corp.,** Denver, Colo.

**Edward Ostroski,** sales engineer, Railroad Equipment Division, **Evans Products Co.,** Plymouth, Mich., has been appointed assistant sales manager of that division.

**Paul N. Strobell** has been appointed manager of the newly created locomotive and engine products division of **Alco Products, Inc.** Mr. Strobell will be in charge of manufacturing, production engineering, sales services, and material and production control at the Schenectady, N.Y., locomotive assembly plant and the Auburn, N.Y., diesel engine plant. He also will supervise operation of renewal parts warehouses in North Bergen, N.J.; St, Louis, Mo., and Los Angeles, Calif., as well as the locomotive service shop in St. Louis.

**Arthur J. Doyle,** vice president, **Youngstown Steel Door Co.,** also has been elected president of **Camel Co., Limited,** a wholly owned Canadian subsidiary. Mr. Doyle will continue to make his headquarters in Cleveland, Ohio.

## Industrial Traffic

**Vincent C. Dinnean,** traffic manager, Winchester-Western division, **Olin Mathieson Chemical Corp.,** New Haven, Conn., has been appointed traffic manager, Metals division, New York. Mr. Dinnean succeeds **George J. Mason,** whose appointment as transportation manager, distribution services, was announced last June.

**Russell M. Blackmer** has been appointed traffic manager, Eastern division, **Wyman-Gordon Co.,** Worcester, Mass.

**Melvin A. Vistine** has been appointed West Coast traffic manager, **Monsanto Chemical Co.,** Santa Clara, Calif., succeeding the late **Harry J. Drees.**

**B. M. Fischer,** traffic manager, container and carton divisions, traffic department, **Weyerhaeuser Co.,** has been named midwest traffic manager in Chicago, with broadened responsibilities. **A. M. Parks,** assistant eastern traffic manager, Newark, N. J., transferred to Chicago to assist Mr. Fischer. The midwest traffic office is being moved from St. Paul to Chicago. **Paul K. Barry, Richard T. Coughlin** and **Robert H. Bunker** appointed traffic representatives at St. Paul, Alameda, Calif., and Camden, N. J., respectively.

**William D. Brown,** traffic manager, **Wood Conversion Co.,** Cloquet, Minn., has retired.

Robert S. Reebie
NYC

G. A. Webster
NP

Robert J. Fletcher
REA

Roderick Craib
Reading

James A. Welton
Soo Line

Thomas A. Rape
CF&I

Edward Ostroski
Evans

Paul N. Strobell
Alco

**Edgar J. Krueger,** assistant to traffic manager, **Consolidated Papers, Inc.,** Wisconsin Rapids, Wis., appointed assistant traffic manager.

### OBITUARY

**E. P. O'Neill,** who retired in January as assistant general sales manager, Hyatt Bearings Division, **General Motors Corp.,** died Aug. 21 at his home in Downington, Pa., after a long illness.

**Julius W. Pfau, 86,** retired chief engineer, **New York Central System,** died Sept. 15 at his home in Yonkers, N. Y.


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# Southeast Shippers Back Single Agency

► **The Story at a Glance: The Southeast Shippers Advisory Board is readying a new attack on an old problem: LCL. After hearing a comprehensive presentation on what railroads think of the situation, the board's shipper LCL committee recommended formation by the carriers of a single-agency plan and backed submission of the proposal to the National Association of Shippers Advisory Boards next month.**

Railroad opinion on the future of LCL runs the well-known gamut—from gloomy prophecies of eventual abandonment to a "let's-get-in-there-and-fight" brand of optimism.

The Southeast Shippers Advisory Board posed a series of penetrating questions to 72 railroad presidents—starting with the blunt "Does your railroad actually desire to continue handling LCL shipments?" Answers came from 63 presidents. The board's compilation covers 19 replies considered typical—though all the tabulated answers come from southeastern and western territory roads (mainly because replies from eastern carriers were general and "not susceptible to breakdown").

The range on SSAB's opening question is broad—from Louisville & Nashville's comment that high cost, diminishing volume and complex service problems make LCL's future dim to Southern's "we are most anxious to continue and enlarge our handling of LCL," and Western Pacific's definite yes, coupled with the opinion that such service is best handled via TOFC.

Most of the 19 carriers are actively selling LCL—though, as Union Pacific points out, "In view of the deficit nature of LCL traffic, we do not believe it represents sound business judgment to actively solicit additional traffic on which to lose more money."

L&N, Atlanta & West Point and Rock Island see a distinct possibility that the railroads, as an industry, may eventually discontinue LCL as a regular railroad operation. But other lines—among them Southern, Florida East Coast, Central of Georgia, Atlantic Coast Line, Chesapeake & Ohio, Missouri Pacific, Frisco, Santa Fe, Burlington, Milwaukee, Northern Pacific, UP and WP—are hopeful that different methods of handling, improved service and the cooperation of shippers and regulatory agencies may pump new life into LCL.

Southern, for example, sees "no reason why the railroads should kiss off this traffic." But, the road notes, both the carriers and shippers have contributed to the present situation—railroads by failing to offer good service at attractive prices, and shippers by playing along with truckers' "pick and choose" tactics in selecting traffic. Southern points out that this leaves the railroads with the light, bulky, rough freight "that the trucks were not interested in hauling. . . . Shippers cannot expect this kind of business to be handled by the railroads on a satisfactory service basis at low cost."

Santa Fe promises an effort to provide prompt and adequate handling (as a rail operation and, where feasible and efficient, in coordinated operations with its trucking subsidiary) to the extent that LCL service is needed and can be sold. But, the road emphasizes, "unless diversification restrictions are modified and unless railroads are permitted to operate like truck lines with broad relaxation of present key-point restrictions, we must face the threat of being unable to carry on unnaturally restricted LCL service."

Like Santa Fe, a number of other roads lean toward rail-truck coordination. A&WP says substituted over-the-road service may be part of the answer. MoPac notes it has set up interchange with about 275 independent motor carriers throughout the nation "in order to afford a through competitive interline LCL service." Frisco forecasts continuation of LCL as a rail operation between many principal points and maintenance of a reasonably good service to smaller intermediate points via subsidiary highway operations. Milwaukee sees possibilities both in substituted service arrangements and in LCL containerization. WP jumps heavily on the side of piggyback to aid the LCL situation and notes that "over-all service could be greatly improved . . . if major shippers would pool such (small) shipments for trailer loads via piggyback to break-bulk and distribution points."

Significantly, none of the 19 roads whose replies are cited believes rates can be blamed for LCL's decline.

Actually, as more than half of the 19 note, rail LCL rates are competitive with—and in many cases lower than—motor carrier LTL rates. But, ACL comments, "most of the traffic is moving LTL, which indicates that service is a far more important factor in determining the mode of transportation than pricing."

MoPac also notes the rail rate advantage and indicates hope that its local and interline service plan "should restore or hold traffic . . . as such services become known to the public generally."

Frisco takes aim on both the rate and service aspects. "We think many shippers might well review rail LCL rates in comparison with truck rates to assure themselves they are not paying a premium for service via highway which they assume to be superior," the road says. "We find numerous instances of erroneous assumptions on the part of shippers that truck service is superior to rail service when actually the reverse is true."

Frisco, like roads such as MoPac and T&P, promotes rate and service advantages vigorously—which ties in with Coast Line's succinct comment that the best way to promote stabilization and development of LCL "is for each road to give good efficient service, advertise it and push it."

Mixed reaction greeted a shipper board query on concerted effort to solve the problem. Almost all the carriers indicated a willingness to cooperate—but there were reservations noted.

Seaboard Air Line calls attention to the regulatory restrictions involved, plus the difficulties met in trying to adapt volume-movement facilities and techniques to LCL operations. Southern concedes a need for concerted rail action but finds an equal need "for some leadership on the part of the industrial community if they have need for and expect to utilize this type of service."

The consensus: The railroads are willing to try—but in view of the problems involved, they alone can't solve the problem.

The LCL committee recommendations tended to back this thinking. The shipper group asked the general board meeting to approve formation of a single-agency plan by the railroads and asked further that the recommendation be passed along to the national board for action (and for implementation through the national LCL committee working with the AAR and individual railroads).

SSAB's joint LCL committee endorsed efforts of the carriers to eliminate key-point restrictions and approved a recommendation urging shippers to give active support to railroads at ICC hearings on specific keypoint petitions.

# YOU OUGHT TO KNOW

**Railway Progress Institute's** 1962 annual meeting, scheduled for Nov. 15-16 in New York, "may well be the most important ever," according to RPI President Holcombe Parkes. One major feature of the meeting: a revamped Industry Outlook Conference, headed up by top railroad purchasing officers.

**Canadian Pacific** last week faced the threat of a Trainmen's strike over an unresolved wage-rule dispute. Earlier this year, CP agreed to a 6½% wage hike in settlements with its engineers and firemen. But the Trainmen are demanding 8%, over a shorter term.

**General American** has spent $265 million on additions to its car fleet over the past 10 years, GATC Board Chairman T. M. Thompson told the New York Society of Security Analysts last week. By the end of 1962, he said, the company will own $58 million worth of new cars built this year and last.

**Private car lines** face a growth period as the incentive rate structure grows and carries with it the demand for more specialized cars, E. C. R. Lasher, president of North American Car Corp. told the New York Society of Security Analysts. The financial position of the railroads, he said, "holds only slight promise of heavy freight car buying"—and, in any event, the private car lines have been the providers of specialized equipment. North American's view of the future: "The industry's equipment must be built to last the life of a new idea, not to last the lifetime of a generation . . . The ideas that hold promise of re-invigorating the competitive metabolism of the railroad industry gravitate against a policy of making lifetime fountain pens out of railroad freight equipment. In time, the railroad supply and leasing industries will be able to sell such an idea."

**Research into track dynamic properties** will be discussed by R. Cass, F. E. King and W. N. Caldwell, Canadian National, at the Instrument Society of America meeting Tuesday Oct. 16 at the Hotel New Yorker, New York City. Michael J. DeCaprio, New York Central, will present a paper on a gamma back-scatter probe for field testing of railroad crossties at the same session.

**The BLF&E's 38th convention** is scheduled to open July 8, 1963, in St. Louis. The outlook: President H. E. Gilbert will seek re-election; but the Brotherhood's No. 2 man, S. C. Phillips, assistant president, veteran negotiator and BLF&E representative on the Presidential Railroad Commission, will retire.

**The chairman of London Transport,** A. B. B. Valentine, has begun a tour of U. S. and Canadian urban transportation facilities for a series of discussions with mass transport managers and city officials. Among the cities he'll visit: San Francisco, Los Angeles, Chicago, Washington, New York and Vancouver.

**Infrared hotbox detectors** will be the subject of a paper presented by W. M. Pelino, Servo Corp. of America, at the National Electronics Conference on Wednesday, Oct. 10, at McCormick Place, Chicago.

## Railway Age Index

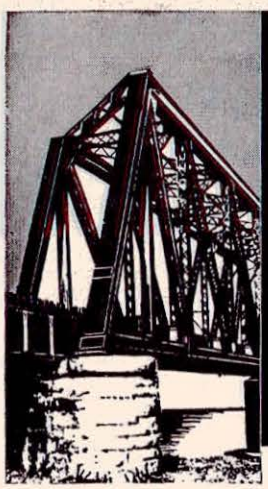
**The Index to Volume 152, the latest volume of Railway Age, January-June, 1962, is ready for distribution, and copies may be had by those subscribers desiring them. Requests should be addressed to the Circulation Department, Railway Age, Emmett Street, Bristol, Conn. Subscribers who have in previous years made application for the index need not apply again. They will continue to receive it as long as they continue to subscribe.**

**Contracts entered by railroads** for refrigeration and heater services for perishable freight must be on bases which will yield the cost of such services to companies supplying them, the ICC has ruled. The ruling, by the Commission's Division 2, came in the 20th supplemental report in Ex Parte No. 137, and it may be appealed to the entire Commission, which has determined that the issue is one of "general transportation importance."

**Work rule changes,** rather than wage demands, caused a shutdown of General Steel Industries' Commonwealth Division Sept. 14. The walkout of 1,350 USW members idled 300 other production workers at GSI's Granite City, Ill., plant—but a company spokesman was hopeful that the dispute will be settled quickly because "we are not too far apart on new contract terms."

**Truck drivers also go piggyback** in a new TOFC service (reportedly the first in South America) inaugurated Aug. 1 by Brazil's Paulista Railway. The initial operation covers 200 miles between the cities of Campinas and Bauru. Each piggyback train consists of 12 flat cars (each designed to carry one heavy-duty and two light trucks) plus sleeping and dining accommodations for truck drivers and their assistants.

**Automation would not be practical** on the mainlines of the New York City Transit Authority's subway, according to TA chairman Charles L. Patterson. The automatic Times Square-Grand Central shuttle train will be operated for another nine months even though its operation has not produced the expected $60,000 annual savings. He said more research would be done with the automatic shuttle operation. It now carries a motorman as a passenger, but he can take over the controls in an emergency. Mr. Patterson said the TS-GCT operation has proved the feasibility of automated trains on shuttle lines. He said such automation might be extended to the Flushing line that travels 8½ miles from Times Square to Flushing, past the 1964 World's Fair site.



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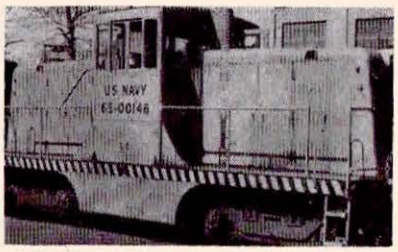


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# Don't Let Up Pinching Now

None of President Kennedy's legislative program for transportation legislation—sent to Congress over five months ago—has been enacted, or now seems likely to be at the current legislative session. (The two measures affecting railroads that have become law—the end to the tax on passenger fares and larger deductions for depreciation—were non-controversial, and apply to other industries besides railroads.) Meantime, railroad carloadings for some weeks have been running behind those of 1961—a year of near-disaster for too many railroads.

There is nothing in the current situation, certainly, to arouse immediate exultation on the part of railroad people and their friends. Also there is every reason for optimism for the eventual outcome. Legislation on controversial questions seldom comes quickly, and 1962 has been a year of unprecedented educational activity on transportation questions. More and more people are learning that President Kennedy's program for increased regulatory freedom for railroads is a program to reduce costs of transportation to the public. And that opponents of the program are, actually, advocates of a transportation cartel managed by the ICC, and calculated to keep transportation costs and rates high and transportation facilities used to only a fraction of capacity.

Understanding of this situation is becoming more widespread—and, as this happens, eventual enactment of President Kennedy's program becomes more likely. It's like moving a heavily loaded car with a pinchbar. It goes mighty slow for a while, and the fellows trying to help out by pushing may be just about ready to give up when—look out there, boys, now she's really rolling!

**Not all the dangers of the present situation lie with the reactionaries who are trying to set up all transportation under a bureaucratic cartel. Some lie also in the constant temptations dangled before many supporters of the Kennedy program—to devote their main attention to other issues on which general agreement is lacking.**

The most obvious temptation in this direction, of course, lies in the working rules issue which so concerns the operating employees. Unionists who keep their heads will realize, of course, that enactment of the Kennedy program would increase the size of the pie to be divided. That is to say, 40% of $10 billion is a lot more than 50% of $5 billion. Common sense arithmetic is all that is needed.

But rationality is not always in the ascendant. Boys have been known to get more satisfaction out of taking a poke at their own kinfolks than in similar entertainment at the expense of some member of the crowd living on the other side of the tracks.

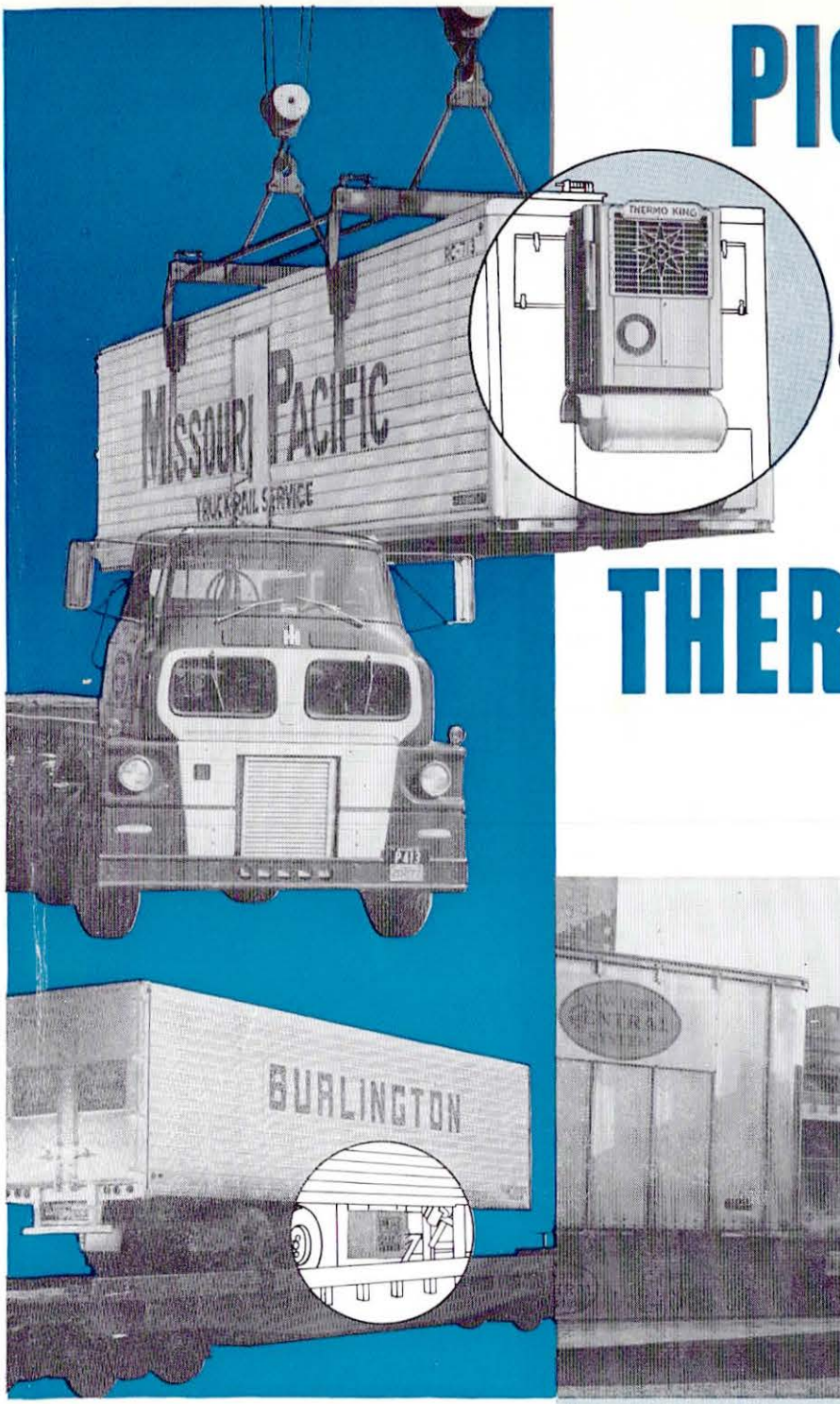
The constructive Kennedy program would be greatly advanced, probably, if leaders among shippers, and the business and financial community generally, were to assume more prominence in its advocacy. This support is widespread, but usually not conspicuous. It should be encouraged to become so by all legitimate means. The goal of the program is not the selfish welfare of the railroads, but the economic well-being and military safety of the U.S.A.

Railway suppliers have an interest in the program equal to, and maybe in some cases exceeding that of railroad people themselves. They are its loyal supporters, but not always as prominently and militantly so, as they have every right to be. They are understandably deferential regarding a program which is directly the primary responsibility of their customers—but they need not be. Any American who is concerned for his country's military security and standard of living—and whose personal income and savings are jeopardized by present inequitable conditions in transportation—has the same right and duty to speak up for this program as does any railroad president.

## Urban Transit Problem

President Kennedy's urban transportation bill appears to have run into difficulties—largely from opposition by Senator Lausche. The Senator has sound theoretical reasons to support his position, i.e., his belief that the federal government is taking over too many activities that are the proper province of the state and local governments. The difficulty lies in the fact that colossal federal expenditures on highways, waterways and air transport are being increased, not diminished. Our big cities are being ruined by overdevelopment (even, sometimes, of cancerous proportions) of other forms of transportation—with consequent artificially induced anemia of rail transit. Few standard long-haul railroads are directly involved in this situation, but the economic health of the big cities is involved. So is rail transportation as an effective technology. If federal subsidies to overdevelopment of other kinds of transportation are not sharply curtailed, what answer is there to this dilemma?

Getting back to that heavy car we were pinchbarring into movement, a few paragraphs back: It is a job that invites discouragement so long as all the available muscle imparts little actual movement to the stubborn vehicle. But let everybody keep shoving, inducing friends within earshot to lend a shoulder. There never was a car like this yet that did not get to rolling—unless the pushers quit pushing, or expended an undue share of their energy instead in arguing with each other.

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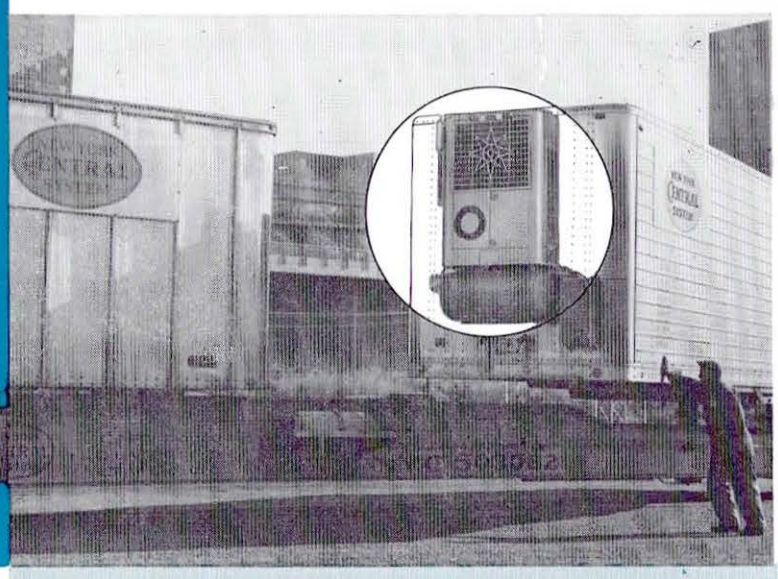

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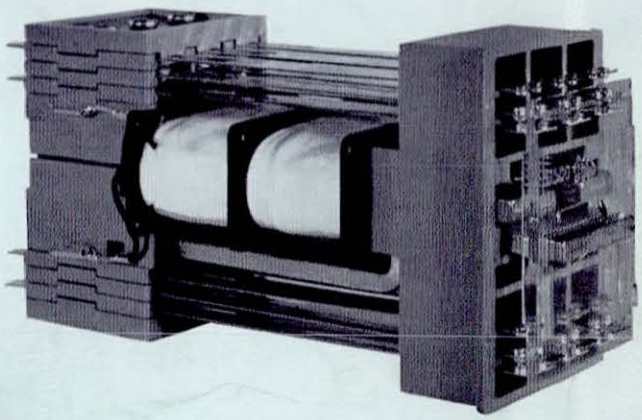

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